



Request For Proposals For District of Columbia Sustainable Energy Utility Contractor

Issued by:
Department of Energy & Environment

1200 First Street, NE, 5th Floor
Washington, DC 20002

February 19, 2016

RFP SCHEDULE

RFP Released on	February 19, 2016
Pre-Proposal Conference	March 7, 2016, 1:00PM – 3:00PM EST
Questions Submitted by	March 11, 2016
Questions Answered by	March 18, 2016
RFP Response Due Date	April 4, 2016, 5:00PM EST
Offeror Interviews, as needed*	April 14 to April 20, 2016
Contract Negotiations*	April 25, 2016 to May 2, 2016
Contract Execution by*	June 15, 2016 <i>(Submitted to DC Council)</i>

* All dates after the RFP Response Due Date are subject to change.

RFP No. DOEE-2016-R-0002
 For District of Columbia Sustainable Energy Utility Contractor

REQUEST FOR PROPOSALS <i>(THIS IS NOT AN ORDER)</i>		The Notice of Small Business Purchase Set-Aside on the reverse of this form <input type="checkbox"/> is <input checked="" type="checkbox"/> is not applicable.		PAGE OF PAGES 2 105	
1. REQUEST NO. DOEE-2016-R-0002	2. DATE ISSUED 2/19/2016	3. REQUEST/PURCHASE REQUEST NO.	4. COMMODITY GROUP AND CLASS 910-16-00	RATING	
5A. ISSUED BY Department of Energy and Environment 1200 First Street, NE, 5th Floor Washington, DC 20002			6. DELIVER BY (Date)		
5B. FOR INFORMATION CALL: (Name and telephone no.) (No collect calls)			7. DELIVERY FOB DESTINATION <input type="checkbox"/> OTHER (See Schedule)		
8. TO: NAME AND ADDRESS, INCLUDING ZIP CODE ALL PROSPECTIVE OFFERORS			9. DESTINATION (Consignee and address, including ZIP code) Dr. Taresa Lawrence Department of Energy and Environment 1200 First Street, NE, 5 th Floor Washington, DC 20002		
8a. Vendor Tax ID # 8b. Dun and Bradstreet#					
10. PLEASE FURNISH PROPOSALS TO ISSUING OFFICE ON OR BEFORE 5:00 PM EST April 4, 2016		11. BUSINESS CLASSIFICATION (Check appropriate boxes) <input type="checkbox"/> SMALL <input type="checkbox"/> LOCAL <input type="checkbox"/> DISADVANTAGED <input type="checkbox"/> RESIDENT-OWNED			
IMPORTANT: This is a request for information, and proposals furnished are not offers. If you are unable to quote, please so indicate on this form and return it. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this proposal or to contracts for supplies or services. Supplies are of domestic origin unless otherwise indicated by Offeror. Any representations and/or certifications attached to this Request for Proposals must be completed by the Offeror.					
12. SCHEDULE (Include applicable Federal, State and local taxes)					
ITEM NO. (a)	SUPPLIES/SERVICES (b)	QUANTITY (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)
				Total	\$
13. DISCOUNT FOR PROMPT PAYMENT		10 CALENDAR DAYS %	20 CALENDAR DAYS %	30 CALENDAR DAYS %	CALENDAR DAYS %
14. NAME AND ADDRESS OF OFFEROR (Street, city, county, State and ZIP Code) Government Tax ID number		15. SIGNATURE OF PERSON AUTHORIZED TO SIGN PROPOSAL		16. DATE OF PROPOSAL	
		17. NAME AND TITLE OF SIGNER (Type or print) B		18. TELEPHONE NO. (Include area code)	

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SECTION B: SUPPLIES OR SERVICES AND COST

The District of Columbia Department of Energy and Environment (herein “District” or “DOEE”) is seeking to contract with a private company to be known as the District of Columbia Sustainable Energy Utility (“SEU”, “DCSEU” or “Contractor”), which will administer sustainable energy programs in the District of Columbia, including the development, coordination, and provision of programs for the purpose of promoting the sustainable use of energy in the District of Columbia. DOEE issues this Request for Proposals (“RFP” or “Solicitation”) and the resulting DCSEU Contract as authorized by the Clean and Affordable Energy Act of 2008 (“CAEA”), codified at Title 8, D.C. Official Code, Ch. 17N and pursuant to the procedures authorized by the CAEA at D.C. Code § 8-1774.01(i).

B.1 Cost Reimbursement Schedule

The District contemplates an award of a cost reimbursement, fixed fee type of contract. The contract will also include at-risk/incentive compensation features for meeting or exceeding the performance benchmarks.

B.2 Term of Contract

The term of the contract shall be a five-year base period from October 1, 2016 through September 30, 2021, renewable for a one option period of five additional years.

B.3 Cost Schedule – Cost Reimbursement – Five-Year Base Period

B.3.1 BASE YEAR ONE (CLINs 1001-1003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
1001 (C.5)	DCSEU SOW Requirements (except CLINs 1002 & 1003)	\$17,579,167	N/A	\$17,579,167
1002 (C.6)	Independent EM&V Activities, EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
1003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$820,833	\$820,833
NTE Total for B.3.1				\$20,000,000

B.3.2 BASE YEAR TWO (CLINs 2001-2003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
2001 (C.5)	DCSEU SOW Requirements (except CLINs 2002 & 2003)	\$17,579,166	N/A	\$17,579,166
2002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
2003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$820,834	\$820,834
NTE Total for B.3.2				\$20,000,000

B.3.3 BASE YEAR THREE (CLINs 3001-3003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
3001 (C.5)	DCSEU SOW Requirements (except CLINs 3002 & 3003)	\$17,491,667	N/A	\$17,491,667
3002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
3003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$908,333	\$908,333
NTE Total for B.3.3				\$20,000,000

B.3.4 BASE YEAR FOUR (CLINs 4001-4003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
4001 (C.5)	DCSEU SOW Requirements (except CLINs 4002 & 4003)	\$17,491,667	N/A	\$17,491,667
4002	Independent EM&V Activities, including	\$1,600,000	N/A	\$1,600,000

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(C.6)	EM&V Subcontractor			
4003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$908,333	\$908,333
NTE Total for B.3.4				\$20,000,000

B.3.5 BASE YEAR FIVE (CLINs 5001-5003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
5001 (C.5)	DCSEU SOW Requirements (except CLINs 5002 & 5003)	\$16,858,333	N/A	\$ 16,858,333
5002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
5003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$ 1,541,667	\$1,541,667
NTE Total for B.3.5				\$20,000,000

B.4 Cost Schedule – Cost Reimbursement – Five-Year Option Period ¹

B.4.1 OPTION YEAR ONE (CLINs 6001-6003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
6001 (C.5)	DCSEU SOW Requirements (except CLINs 6002 & 6003)	\$17,579,167	N/A	\$17,579,167
6002 (C.6)	Independent EM&V Activities, EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
6003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$820,833	\$820,833
NTE Total for B.4.1				\$20,000,000

¹ Option Period Years One – Five follow the same structure as Base Period Years One – Five.

B.4.2 OPTION YEAR TWO (CLINs 7001-7003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
7001 (C.5)	DCSEU SOW Requirements (except CLINs 7002 & 7003)	\$17,579,166	N/A	\$17,579,166
7002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
7003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$820,834	\$820,834
NTE Total for B.4.2				\$20,000,000

B.4.3 OPTION YEAR THREE (CLINs 8001-8003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
8001 (C.5)	DCSEU SOW Requirements (except CLINs 8002 & 8003)	\$17,491,667	N/A	\$17,491,667
8002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
8003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$908,333	\$908,333
NTE Total for B.4.3				\$20,000,000

B.4.4 OPTION YEAR FOUR (CLINs 9001-9003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
9001 (C.5)	DCSEU SOW Requirements (except	\$17,491,667	N/A	\$17,491,667

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	CLINs 9002 & 9003)			
4002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
4003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$908,333	\$908,333
NTE Total for B.4.4				\$20,000,000

B.4.5 OPTION YEAR FIVE (CLINs 10001-10003)

Contract Line Item No. (CLIN)	Item Description	Not-to-Exceed Cost Ceiling	Fiscal Year Incentive Payments	Maximum Total Cost
10001 (C.5)	DCSEU SOW Requirements (except CLINs 10002 & 10003)	\$16,858,333	N/A	\$16,858,333
10002 (C.6)	Independent EM&V Activities, including EM&V Subcontractor	\$1,600,000	N/A	\$1,600,000
10003 (C.7.2 & C.7.4)	Performance Incentives	N/A	\$1,541,667	\$1,541,667
NTE Total for B.4.5				\$20,000,000

B.5 Multiyear Contract

The winning Offeror pursuant to this RFP will provide the full scope of services described within this document for a base period ending on September 30, 2021, renewable for one option period of five years.

B.5.1 Annual Appropriation of Funds

DOEE's liability under this contract is contingent upon the annual appropriation of funds with which to make payment for the contract purposes. The legal liability on the part of DOEE for the payment of any money shall exist only after such annual appropriation shall have been provided.

B.5.2 Multiyear Contract

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of this multiyear contract, the contract for the subsequent year shall

be terminated, either automatically or in accordance with the termination clause of the DCSEU contract. Unless otherwise provided for in the contract, the effect of termination is to discharge both DOEE and the Contractor from future performance of the contract, but not from the existing obligations. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. See Section I.12, provision for cancellation charges.

In this multiyear, performance-based contract, in a particular year of the contract, the Contractor shall be eligible for performance incentives only up to the amount set aside for that year. Therefore, if this multiyear contract is terminated early, i.e. before the end of the five-year base period, the Contractor shall be eligible for an incentive payout not to exceed the total incentive amount for the year the contract is terminated, even if the Contractor achieves performance targets that would have made it eligible for greater incentives in a later year of the contract.

B.6 Anti-Deficiency Limitations

B.6.1 Pursuant to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 1511-1519 (2004) (the “Federal ADA”), and D.C. Official Code §§ 1-206.03(e) and 47-105; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (the “D.C. ADA” and (i) and (ii) collectively, as amended from time to time, the “Anti-Deficiency Acts”); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46, the District cannot obligate itself to any financial commitment in any present or future year unless the necessary funds to pay that commitment have been appropriated by the Congress of the United States (the “Congress”) and are lawfully available for the purpose committed. Thus, pursuant to the Anti-Deficiency Acts, nothing in this contract creates a monetary obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any contractual obligation and other charges under this contract does not and may not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

B.6.2 During the term of this contract, the Mayor of the District of Columbia or other appropriate official will, for each fiscal year, include in the budget application submitted to the District Council, the amount necessary to fund the District’s known potential financial obligations under this contract for such fiscal period. In the event that a request for such appropriations is excluded for any reason from the budget approved by the District Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay any contractual obligation and/or any other amount under this contract for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not collected or are not

otherwise lawfully available, the District will not be liable to make any payment under this contract after the exhaustion or expiration of any then-existing appropriation, the District shall promptly notify the Contractor, and this contract shall immediately terminate upon the exhaustion or expiration of any then-existing appropriation.

- B.6.3** Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability to the Contractor in connection with the breach of the provisions of this Section or in the event of a Default by the District under this contract.
- B.6.4** This contract shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia Official or employee is authorized to obligate or expend any amount under this contract unless such amount has been appropriated by Act of Congress and is lawfully available.
- B.6.5** DOEE intends to seek appropriations authority from Congress to allow budgeting and spending of funds, and accrual of incentives, across fiscal years, so long as the spending does not at any time exceed the available funds in the Sustainable Energy Trust Fund.

B.7 Other Limitations

- B.7.1** The total available funds for Contractor expenditures shall be defined as the “Cost Reimbursement Ceiling.” Of the \$20 million per year, \$1,600,000 annually will be allocated to third-party Evaluation, Measurement, & Verification (EM&V) subcontractor(s). The entire annual allocation of \$1,600,000 will be set aside for EM&V activities not performed or conducted by the DCSEU Contractor. The portion of this EM&V allocation that is unspent each year may be added to the Contract via a contract amendment to supplement DCSEU program operations, to be included in the Cost Reimbursement Ceiling.
- B.7.2** Over the five year base period of the contract, the Contractor is eligible to receive a maximum of \$5 million in performance incentives, or 5 per cent of the \$100 million contract value over the five year period. Additionally, as shown in Tables B.1 and B.2 below, the full amount that the Contractor is eligible to receive in performance incentives for a particular fiscal year will be withheld by DOEE at the beginning of that fiscal year. The same structure will be repeated in the option period.
- B.7.3** As discussed in section C.7, performance targets and incentives for the electricity, natural gas, and renewables performance benchmarks are cumulative, so that any incentives not earned in a given year may still be earned in the following year if the Contractor achieves the minimum benchmark performance targets for a given

fiscal year. Subject to the requirement in the next sentence of this section B.7.3, the total incentive amount for a particular year will be withheld for performance incentives, as indicated in Table B.1. If full performance is not achieved in a particular year, the unearned performance incentives for the electricity, natural gas, and renewables benchmarks for that year shall be withheld from the Cost Reimbursement Ceiling in the following year, as indicated in Table B.2. If the Contractor does not earn any performance incentives in Years 1 – 4, \$4.2 million will be withheld for performance incentives in Year 5 of the contract. The performance incentives for the green jobs and low income benchmarks will be awarded annually; for these benchmarks, the Contractor will not be eligible to receive in a later year any incentive not earned in an earlier year of the base period.

Table B.1: Maximum Cost-Reimbursement Ceiling and Minimum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
EM&V Set-Aside	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$820,834	\$908,333	\$908,333	\$1,541,667
Cost-Reimbursement Ceiling	\$17,579,167	\$17,579,166	\$17,491,667	\$17,491,667	\$16,858,333

Table B.2: Minimum Cost-Reimbursement Ceiling and Maximum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
EM&V Set-Aside	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$1,441,667	\$2,150,000	\$2,858,333	\$4,200,000
Cost-Reimbursement Ceiling	\$17,579,167	\$16,958,333	\$16,250,000	\$15,541,667	\$14,200,000

B.7.4 Per Sections C.7.1.2 and L.1.2.1, reimbursable General Administrative Costs invoiced for any Contract year pursuant to section G may not exceed 20% of the approved costs which are reimbursed for that year.

B.8 Required Subcontracting Plan

An Offeror responding to this solicitation which is required to subcontract shall be required to submit with its proposal any subcontracting plan required by law. Proposals responding to this RFP may be rejected if the offeror fails to submit a subcontracting plan that is required by law. For contracts in excess of \$250,000, at least 35% of the dollar volume of the contract shall be subcontracted in accordance with section H.1.

The Subcontracting Plan form is available at <http://ocp.dc.gov> – click on “Required Solicitation Documents”.

SECTION C: STATEMENT OF WORK (SOW)

C.1 Overview

The Department of Energy and Environment (“DOEE”) is seeking to contract with a private company to be known as a District of Columbia Sustainable Energy Utility (“SEU”, “DCSEU”, or “Contractor”) to administer sustainable energy programs in the District of Columbia. The DCSEU is the private contractor selected to develop, coordinate, and provide programs for the purpose of promoting the sustainable use of energy in the District of Columbia.

In 2008, the Council of the District of Columbia (“District Council”) enacted D.C. Law 17-250, the Clean and Affordable Energy Act of 2008 (“CAEA,” D.C. Code §8-1773.01 *et seq.*), which established authority to contract with a private company to be known as a Sustainable Energy Utility to administer sustainable energy programs in the District of Columbia. The DCSEU will operate under a contract to be entered into with DOEE.

On March 24, 2011, DOEE awarded a performance-based contract to a private contractor to design and implement energy efficiency and renewable energy programs throughout the District under the trade name District of Columbia Sustainable Energy Utility (“DCSEU”). The CAEA requires that the DCSEU contract include specific performance benchmarks that provide assurance to the public, the Sustainable Energy Utility Advisory Board (“SEUAB”), and DOEE that the DCSEU is making progress towards meeting the goals of the CAEA.

In 2014, the District Council amended the CAEA to require that “upon the expiration of the initial SEU contract, including any option years, subsequent SEU contracts shall be multi-year contracts of not less than 4 years.”²

DOEE issues this Request for Proposals (“RFP”) to solicit competitive proposals for a contractor to administer energy efficiency and renewable energy programs in the District as the DCSEU. The winning Offeror of this RFP will provide the full scope of services described within this document for a base period ending on September 30, 2021, with an option period of an additional five (5) years.

C.2 Applicable Documents

Item No.	Document Type	Title	Date
1	Statute	Clean and Affordable Energy Act of 2008, as amended, codified at DC Official Code Sections 8-1773 <i>et seq.</i>	Most recent

² Fiscal Year 2015 Budget Support Act of 2014, § 6062(b), p 76.

C.3 Definitions and Acronyms

C.3.1 Definitions

“Affiliate” means: (a) Any person or entity who owns directly, indirectly or through a chain of successive ownership, 10% or more of the voting securities of the Offeror; (b) Any person or entity, 10% or more of whose voting securities are owned, directly or indirectly, by an affiliated interest as defined in (a) above; or (c) Any person or entity, 10% or more of whose voting securities are owned, directly or indirectly, by the Offeror.

“Building energy benchmarking” is the process of measuring a building’s energy performance using a standard metric and comparing it to its own past performance and those of its peers.

“Capacity Credit” is an entitlement to a specified number of megawatts (“MW”) of unforced capacity from a specific resource, for the purpose of satisfying capacity obligations imposed under the PJM Reliability Assurance Agreement.

“Certified Business Enterprises (“CBE”) is the term used to describe the District Department of Small and Local Business Development’s (“DSLBD”) business certification program. The DSLBD maintains a database of all certified local, small, and disadvantaged business enterprises that are deemed CBEs. Businesses with CBE certification receive preferred procurement and contracting opportunities.

“Community net metering” means a billing arrangement under which the monetary value of electric energy generated by a Community Renewable Energy Facility and delivered to the electric company’s local distribution facilities is used to offset electric energy charges accrued during a subscriber’s applicable billing period.

“Community Renewable Energy Facility” or “CREF” means an energy facility using renewable resources defined as tier one renewable sources in section 3(15) of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431(15)) that is located within the District of Columbia and where the monetary value of electricity generated by the facility is credited to the subscribers of the facility.

“Community solar” is a shared renewable energy arrangement that allows several energy customers to share the benefits of one local solar energy power plant through a variety of investment mechanisms or subscription models. In 2013, the Council of the District of Columbia enacted the Community Renewable Energy Amendment Act of 2013 (“CREA”). The purpose of CREA is to facilitate broad participation in solar energy among more District residents by giving utility ratepayers access to virtual net-metering, or “community net metering”. The statute expands access to renewable energy to more consumers such as renters, low-income residents, homeowners with shaded roofs and tenants of apartment buildings. Customers can subscribe to units of energy produced by a

Community Renewable Energy Facility, and receive the benefits via credits to their monthly utility bill.

“District” means the District of Columbia.

“District Council” means the Council of the District of Columbia.

“District of Columbia Sustainable Energy Utility” is the private contractor (“Contractor”) selected by the Mayor, by and through DOEE, pursuant to an RFP, to develop, coordinate, and provide programs for the purpose of promoting the sustainable use of energy in the District (D.C. Code § 8-1773.01(19)).

“Energy Efficiency” means the use of less energy to provide the same or an improved level of service to the energy consumer; or the use of less energy to perform the same function.

“Energy Efficiency Measure” means an installed piece of equipment or system, or modification of equipment, systems, or operations on end-use participant facilities that reduce the total amount of electrical or gas energy and capacity that would otherwise have been needed to deliver an equivalent or improved level of end-use service.

“Energy Efficiency Programs/Services” means an offer to a participant of one or more of a wide variety of services, including financial rebates, technical assistance, product installations, training, energy efficiency information or other services, items, or conditions. Programs often offer incentives, generally monetary, to encourage the participant to participate in the program. An incentive is intended to overcome one or more barriers that keep the participant from taking the energy efficiency activity on their own.

“Evaluation, Measurement, & Verification (“EM&V”) Forum” is a project facilitated by Northeast Energy Efficiency Partnerships, whose purpose is to support the development and use of consistent protocols to evaluate, measure, verify, and report the savings, costs, and emission impacts of energy efficiency and other demand-side resources. Supported by a New England Public Utility Commissioners resolution and a complementary Mid-Atlantic Conference of Regulatory Utility Commissioners (“MACRUC”) resolution, the Forum is also funded by federal and state governments, utilities, and private foundation sources.

“Fiscal Agent” or “FA” means the Office of the Chief Financial Officer of the District of Columbia. All funds used to support the DCSEU contract shall be managed by the FA.

“Full-Time Equivalents” or “FTE” means a total of 1,950 labor hours worked in support of the DCSEU contract, and equals one full-time equivalent of a year-round job.

“Green Job” or “Green-Collar Job” means, for purposes of this Contract, any one FTE job held by a District resident who is paid at least a living wage; or a factor of \$200,000 of DCSEU's direct cash incentives to end-use customers and/or manufacturers.

“Key Contractor Personnel” are the personnel identified in the DCSEU contract that have responsibility and accountability for the provision of services under the DCSEU contract. Key Contractor Personnel manage the core operations of the DCSEU. Examples of potential Key Contractor Personnel include the following: Managing Director/Executive Director, Director of Operations, Finance Manager, IT/MIS Manager, and Marketing/Outreach and Education Manager.

“Living Wage” means a minimum hourly wage as determined by the District Department of Employment Services in accordance with the “Living Wage Act of 2006,” Title I of D.C. Law 16-118 (D.C. Official Code §§2-220.01-.11).

“Lost Opportunity” is an energy program strategy that captures energy efficiency opportunities at the time of a naturally-occurring market event, such as when a participant constructs, expands, renovates, or remodels a home or a building or makes an initial purchase of equipment, or replaces failed equipment.

“Low-Income Individuals” are persons who have incomes at or below 60% of the State Median Income or 200% of the Federal Poverty Level, whichever is higher.

“Low-Income Clinics” mean clinics or other health facilities that are designated as a Federally Qualified Health Center (FQHC) in the District of Columbia.

“Low-Income Households” are defined as households with incomes that are at or below the greater of either 200% of the Federal Poverty Level or 60% of State Median Income (SMI).

“Market Transformation” is an energy program strategy that leads to a reduction in market barriers resulting from a market intervention, as evidenced by market effects that last after the intervention has been withdrawn, reduced, or changed.

“Prime Contractor” is the contact point and responsible entity for a joint venture or teaming arrangement under the DCSEU contract.

“PJM Capacity Market” is the general term for the rules and market constructs to ensure that there are adequate resources to reliably meet PJM’s load.

“Reliability Pricing Model (“RPM”)” is PJM’s resource adequacy construct. The purpose of RPM is to develop a long term pricing signal for capacity resources and load-serving entities’ obligations that is consistent with the PJM Regional Transmission Expansion Planning Process.

“Renewable Energy” means the following energy generation systems in the District of Columbia: solar photovoltaic; solar thermal; geothermal heat pumps; wind; biomass; and methane or waste-gas capture.

“Renewable Energy Programs/Services” means an offer to a participant of one or more of a wide variety of services, including financial rebates, technical assistance, product installations, consumer information or other services, items, or conditions. Programs often offer incentives, generally monetary, to encourage the participant to participate in the program. An incentive is intended to overcome one or more barriers that keep the participant from installing a renewable energy generating system on their own.

“Shelter” means a building or organization that provides temporary residence for those suffering from homelessness or domestic violence.

“Sustainable energy programs” means Energy Efficiency Programs/Services and Renewable Energy Programs/Services.

“Technical Reference Manual” (“TRM”) is a regularly updated, comprehensive list of all measure and program assumptions used in determining measure and program cost-effectiveness.

C.3.2 Acronyms

CA	Contract Administrator
CAEA	Clean and Affordable Energy Act of 2008, D.C. Code § 8-1773.01 <i>et seq.</i>
CBE	Certified Business Enterprise
CBO	Community-Based Organization
CO	Contracting Officer
DCSEU	District of Columbia Sustainable Energy Utility
DOEE	Department of Energy & Environment
DOES	District Department of Employment Services
DSLBD	District Department of Small and Local Business Development
EM&V	Evaluation, Measurement, & Verification
ESCO	Energy Service Companies
FA	Fiscal Agent
FTE	Full-Time Equivalents
GAAP	Generally Accepted Accounting Principles
GBA	Green Building Act of 2006, D.C. Code § 6-1451.01 <i>et seq.</i>
IC	DCSEU Implementation Contractor
IT	Information Technology
MIS	Management Information System
MW	Megawatt, a unit of power equivalent to one million watts.
NEBs	Non-Energy Benefits
NEEP	Northeast Energy Efficiency Partnerships
OCP	Office of Contracting and Procurement

PACE	Property Assessed Clean Energy
PJM	PJM Interconnection (a regional transmission organization)
PSC	Public Service Commission
PV	Photovoltaic
REC	Renewable Energy Certificate
RFP	Request for Proposals
RPM	PJM's Reliability Pricing Model
RPS	Renewable Portfolio Standard
SBE	Small Business Enterprise
SCP	Standard Contract Provisions – Supplies and Services Contracts, dated March 2007
SETF	Sustainable Energy Trust Fund, D.C. Code § 8-1774.10
SEU	Sustainable Energy Utility
SEUAB	Sustainable Energy Utility Advisory Board
SREC	Solar Renewable Energy Certificate
TRM	Technical Reference Manual

C.4 Background

Section 205 of the CAEA delegated to DOEE the authority for the procurement and monitoring of the contract for the DCSEU (CAEA §205(a), D.C. Code § 8-1774.05(a)). The purpose of this RFP is to solicit competitive proposals from private entities to develop, coordinate, and deliver programs for the purpose of promoting the sustainable use of energy in the District of Columbia.

C.4.1 Objectives of DCSEU

The objectives of the DCSEU contract are to:

- C.4.1.1** Provide Energy Efficiency Programs/Services and Renewable Energy Programs/Services for all major market segments (i.e., residential, commercial, institutional);
- C.4.1.2** Provide programs to traditionally difficult-to-serve market segments (e.g., low-income and small commercial);
- C.4.1.3** Identify and leverage opportunities to bring additional funding to the DCSEU (e.g., the PJM capacity market);
- C.4.1.4** Target “market transformation” in program design;
- C.4.1.5** Create green job opportunities for District residents;
- C.4.1.6** Enhance public knowledge of the DCSEU brand for provision of Energy Efficiency Programs/Services and Renewable Energy Programs/Services;
- C.4.1.7** Provide programs to market segments that face significant barriers to

participation (e.g. renters); and

- C.4.1.8** Offer coordinated delivery of Energy Efficiency Programs/Services and Renewable Energy Programs/Services.

C.4.2 Overview of Institutional Structure

The roles and responsibilities of the DCSEU, DOEE, SEUAB, Fiscal Agent, and Implementation Contractors are the following:

- C.4.2.1 The DC Sustainable Energy Utility or DCSEU** is the private contractor selected by the Mayor, by and through DOEE, to develop, coordinate, and provide programs for the purpose of promoting the sustainable use of energy in the District of Columbia. The Contractor will manage sustainable energy programs under a contract with DOEE and under the direction of DOEE. The CAEA requires that the operations of the DCSEU be carried out by a private entity (i.e., non-governmental entity).³

C.4.2.2 Minimum Requirements

The CAEA requires that the DCSEU Contractor achieve minimum performance benchmarks consistent with the purposes of the act, including:

- 1) Reduce energy consumption in the District of Columbia;
- 2) Increase renewable energy generating capacity in the District of Columbia;
- 3) Improve the energy efficiency or increase the renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District of Columbia; and
- 4) Increase the number of green-collar jobs in the District of Columbia.

The Contractor shall track and report to DOEE, pursuant to the requirements below, at least semiannually during the term of the contract the impact of its programs on:

- a) Reducing the growth of peak electricity demand in the District of Columbia; and
- b) Reducing the growth of the energy demand of the District of Columbia's largest energy users.

These requirements establish the basis for the performance benchmarks detailed in section C.7.

³ CAEA §101(19), D.C. Code § 8-1773.01(19) and CAEA §201(b), D.C. Code § 8-1774.01(b).

The CAEA also requires the Contractor's energy efficiency program portfolio, as a whole, to pass the societal benefit test for the base period of the contract. The societal benefit test is defined in Section C.7.6 of this RFP.

C.4.2.3 The Department of Energy and Environment has a number of responsibilities relating to the development, implementation, oversight, and monitoring of the DCSEU, including but not limited to the following, of which contractual actions are to be performed by the Contracting Officer:

- C.4.2.3.1** Generate an RFP for the DCSEU contract;
- C.4.2.3.2** Accept and review bids for the DCSEU contract;
- C.4.2.3.3** Develop criteria for evaluation of bid proposals;
- C.4.2.3.4** Hire and terminate (if appropriate) the Contractor;
- C.4.2.3.5** Define performance incentives;
- C.4.2.3.6** Manage the DCSEU contract;
- C.4.2.3.7** Ensure continuity of program implementation and sufficient carry-over funding during the transition period between the end of one DCSEU contract term and the beginning of another DCSEU contract term;
- C.4.2.3.8** Ensure that adequate evaluation, monitoring, and verification mechanisms are in place so that DCSEU expenditures result in verifiable energy savings over the expected lifetime of each energy-saving measure;
- C.4.2.3.9** Commission, on an annual basis, an independent review of the performance and expenditures of the DCSEU and provide the results of this review to the SEUAB and the District Council within 6 months of the conclusion of each year of the DCSEU contract;
- C.4.2.3.10** Provide staff resources to the SEUAB and coordinate the involvement of staff from the Public Service Commission, Office of the People's Counsel, and any other appropriate agency or organization as necessary for the Board to fulfill its mandate;
- C.4.2.3.11** Maintain the set brand names used by the District for energy and sustainability programs;
- C.4.2.3.12** Approve a change in level of funding, programs or benchmarks;

C.4.2.3.13 Approve the use of private funding or grants by the DCSEU; and

C.4.2.3.14 Receive and approve reports from the Contractor.

C.4.2.4 The Sustainable Energy Utility Advisory Board (“Board” or “SEUAB”) is composed of thirteen members as designated in Section 203 of the CAEA (D.C. Code § 8-1774.03). The current composition of the Board and meeting-minute archives can be found at <http://doee.dc.gov/service/sustainable-energy-utility-seu-advisory-board>. Duties and responsibilities of the Board include:

C.4.2.4.1 Provide advice, comments, and recommendations to DOEE and District Council, regarding the procurement and administration of the DCSEU contract;

C.4.2.4.2 Meet quarterly with representatives from the DCSEU to monitor DCSEU programs and Contractor performance;

C.4.2.4.3 Report on the progress of the DCSEU to the District Council and public annually, with the first report being due 30 days after the conclusion of the 1st year of the DCSEU contract; and

C.4.2.4.4 Convene any subcommittees and working groups it considers appropriate without any limitation as to the membership of such groups.

C.4.2.5 The DCSEU Fiscal Agent (“FA”) means the Office of the Chief Financial Officer of the District of Columbia. All funds used to support the DCSEU contract shall be managed by the FA. Specific FA functions include, without limitation, receiving funds for the DCSEU and the dispersal of these funds to the Contractor in response to approved invoices.

C.4.2.6 DCSEU Implementation Contractor (“IC”) means any entity competitively contracted by, or in a teaming agreement with, the DCSEU to implement or deliver specific programs and services. Any entity, including individuals, electricity or gas utilities, non-profit corporations, and private businesses, may bid for an Implementation Contract. It is the intent of DOEE that providers of sustainable energy services in the District be afforded opportunities to bid on Implementation Contracts without discrimination.

C.4.3 Funding for the DCSEU

The CAEA created the Sustainable Energy Trust Fund (“SETF”), which is funded by an assessment on the natural gas and electric companies in the District of Columbia, and the assessments are transmitted to DOEE. The SETF may also be supplemented by payments from other sources. The CAEA authorizes funding for the DCSEU contract from the SETF in the amount of at least \$20 million per year, or \$100 million over the five year base period of the contract, subject to the availability of funding. Pursuant to CAEA § 201(e) (D.C. Code § 8-1774.01(e)), the DCSEU contract may also be funded by federal funds, private funds, and

other District funds.

C.5 Statement of Work Details

C.5.1 General Administration

The Contractor shall be responsible for the development and monitoring of its own management and operational systems. This includes: (1) budgeting; (2) financial management; (3) Implementation Contract award and management; (4) dispute resolution; and (5) information technology, data collection, and data management.

C.5.1.1 Budgeting

Offerors shall propose a budget for the first five year base period of the DCSEU contract in accordance with the annual funding allocations specified in Sections B.3 and B.7, and in accordance with the provisions in Section L.1.2. This budget should include the following areas: (1) general administration and reporting; (2) management information system (“MIS”) and information technology (“IT”) development and maintenance; (3) DC SEU marketing; (4) strategic planning analysis and program design; (5) energy efficiency and conservation program delivery, divided into residential and non-residential sectors; (6) participant-sited renewable energy service delivery, divided into residential and non-residential sectors; (7) any specific startup costs or costs related to the transition from the current DCSEU Contractor to a new Contractor; and (8) any other areas Offerors believe should be included in the budget forecasts.

C.5.1.2 Financial Management

The Contractor shall develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, and payments to subcontractors, ICs, and employees. The Contractor shall maintain financial and accounting records consistent with Generally Accepted Accounting Principles (“GAAP”) defined by both the Governmental Accounting Standards Board and the Financial Accounting Standards Board. The Contractor shall provide the information and documentation required for independent audits, which DOEE will have performed annually.

In order to receive payment, the Contractor shall prepare and submit detailed documentation and invoices for all costs incurred, including but not limited to, administrative, management, and program costs, to the FA and DOEE for review. All invoicing data along with proper supporting documentation must be kept by the Contractor and made available to DOEE and the FA upon request.

C.5.1.3 Implementation Contract Management

The Contractor will solicit, hire and/or contract with all necessary staff and ICs to perform this Statement of Work. The Contractor shall maintain the administrative

capability to manage these resources and ensure the completion of each task and sub-task effectively. The Contractor shall be responsible for all the work done by the ICs.

C.5.1.4 Dispute Resolution

The Contractor shall develop protocols to track and resolve complaints involving the Contractor, subcontractors, trade allies, and ICs, and submit these protocols to DOEE within 90 days after DCSEU contract execution. The Contractor shall respond administratively to complaints from, or disputes among, affected persons or entities within thirty days of receiving a complaint.

C.5.1.5 Information Technology, Data Collection and Management

The Contractor shall collect and electronically compile data needed to monitor, assess, and evaluate its performance, to report on its activities, and to improve the design and delivery of DCSEU programs and services. The Contractor shall develop and maintain an MIS. Data shall be kept in a relational database format by the Contractor and be organized in such a way that a third party could easily access and utilize necessary information for performing assessment tasks. Information in this system shall include, but not be limited to, tracking data on participants, program services, general program operation, and financial and management data. The MIS shall have the ability to produce *ad hoc* reports for periodic information requests from DOEE, the Board, or the FA.

The types of computer equipment, storage peripherals, communication devices, network equipment, software, printers and any other products necessary for DCSEU data processing shall be chosen by the Contractor. The computer equipment and IT services must have the capabilities necessary to perform the tasks set forth in this Statement of Work, and shall be configured so that additional elements can be added without undue hardship, cost, or difficulty. All data and information contained in systems developed by the Contractor must be transferrable to DOEE for further analysis, maintenance, or archiving purposes.

C.5.1.5.1 Managing Participant Data and Sensitive Information

Subject to the requirements of Section C.5.1.5.3, the Contractor shall not sell or otherwise disclose any participant or billing information to any third party without express written authorization from the participant. The Contractor shall be liable for damages to the participant for any unauthorized use of participant information or data, including the electric or gas utility company's data on the participant. Specific information and data include the participant's name, utility account number, and contact information (service address, billing address and telephone number). The Contractor shall develop and maintain protocols that provide appropriate privacy protections in the collection, processing, storage, and retrieval of information that is participant-specific. The Contractor shall also develop and maintain protocols for competitively sensitive data so that such information is protected and no IC is provided unfair competitive advantages.

C.5.1.5.2 Administrative and Financial Data

The Contractor shall keep records of administrative and financial data consistent with the tasks outlined in this RFP and with GAAP. These tasks include systems to track general project management, invoicing, payroll and subcontractor payments, and the ability to promptly produce the necessary reports for monitoring these duties.

C.5.1.5.3 Sharing of Data

DOEE may share with the Contractor all records received from the building energy benchmarking program operated by DOEE, which collects data on the energy and water performance of all buildings over 50,000 gross square feet, and related programs. This data may be used by the Contractor to improve the design and targeting of its programs. This will include data fields not disclosed to the public. The Contractor shall keep this data confidential and shall be liable for unauthorized use or disclosure of data beyond what is already publicly disclosed by DOEE. The Contractor shall share participant information with DOEE where needed to support other DOEE initiatives such as PACE and Community Solar.

C.5.2 Service Planning and Implementation

The Contractor shall research, plan, manage, oversee, and implement services to meet performance benchmarks and other goals specified by DOEE. Performance benchmarks are specified in section C.7.

C.5.2.1 Strategic Planning and Program Design

The Contractor shall have primary responsibility for the development and revision of its service offerings on an ongoing basis, including discontinuing existing services and offering new services, when appropriate, in consultation with DOEE. After DCSEU contract execution, the Contractor shall develop and follow a comprehensive strategic planning analysis (“Strategic Plan”) to support program planning for the DCSEU contract. The Strategic Plan shall:

- a) Define approaches to working with private organizations (for-profit and non-profit), which are, or seek to be engaged in promoting or sustaining the use of clean energy in the District;
- b) Describe an outreach and engagement strategy for residents and businesses, and include measurable objectives to demonstrate effectiveness of the outreach plan;
- c) Include a financial plan and describe the growth potential for the DCSEU. This plan shall demonstrate how DOEE funding is expected to support this growth trajectory, along with revenue from other sources.

The Strategic Plan shall lay out how the Contractor will meet the performance goals over the five years of the base period of the contract. The Contractor shall select markets, end-users, and end-use equipment and develop a comprehensive suite of program designs.

Each program design must specify, at a minimum: program goals, performance targets, an estimated budget, an implementation strategy, and an evaluation strategy. In developing programs, the Contractor shall identify and maximize the potential revenues and/or cost savings from energy efficiency measures eligible to be bid into the RPM. The Contractor is not required to design or initiate all programs at once, but it must demonstrate how each program fits within the Contractor's overall strategy to meet the performance benchmarks as well as the long-term goals of the DCSEU.

The Strategic Plan shall be provided to DOEE within ninety (90) days of contract execution and shall be approved by DOEE. The Strategic Plan is intended to be a living document, and shall be updated as needed to align with changes in the annual or other plans.

C.5.2.2 Annual Plan

Each year, the Contractor shall submit an Annual Plan to DOEE. The Contractor shall analyze data and information from the Annual Report, EM&V reports, and strategic planning analyses to review and assess the impacts and effectiveness of DCSEU programs. The Contractor shall report in the Annual Plan on this analysis and make any recommendations for improvements and modifications to programs. The Contractor shall also summarize the DCSEU's program design strategies, service offerings, emerging markets initiatives, and other planned implementation activities, including competitive solicitations for Implementation Contractors. The Annual Plan shall be completed and submitted to the CA ninety days prior to the end of each fiscal year in order to facilitate any necessary programmatic or other changes in the DCSEU activities in the following year.

C.5.2.3 Coordination with Existing Energy Efficiency Programs and Market Participants

The Contractor shall coordinate with existing energy programs in the District and market participants, such as subcontractors, suppliers, and trade allies. Under the current DCSEU contract, many energy efficiency and renewable energy programs have been implemented, and DOEE additionally administers several other programs under other grants and contracts. Upon contract execution, the Contractor shall plan and coordinate with DOEE and the current DCSEU Contractor for the termination, continuation, or revision of the current DCSEU Contractor's programs. For more information on the current DCSEU Contractor's energy efficiency and renewable energy programs, see <http://dcseu.com>. In addition, DOEE administers programs for weatherization of homes of low-income residents under federal grants, and contracts out the PACE program; the Contractor shall coordinate with these efforts as required.

C.5.2.4 Program Implementation and Delivery

The Contractor may utilize a variety of program delivery strategies. Offerors are encouraged to accomplish program delivery via competitively-selected Implementation

Contractors. DOEE will also consider proposals by which the Contractor provides program delivery services if the program delivery strategy includes business opportunities for providers of energy efficiency and renewable energy services that are owned or operated by District-based entities and the strategy conforms to the mandatory CBE subcontracting requirement outlined in Section H.1.

C.5.2.4.1 IC RFPs

The Contractor shall develop RFPs for Implementation Contracts in which it considers and accounts for programmatic needs. The Contractor shall administer Implementation Contracts with sufficient oversight to ensure that ICs meet performance and budgetary targets. The Contractor shall establish rules, in consultation with DOEE, to guide the execution of IC RFPs. Fair bid solicitation and selection processes will be of particular concern to DOEE. If an affiliate of the Contractor bids, or intends to bid, for an Implementation Contract, both the Contractor and its affiliate must ensure that the affiliate does not benefit from any unfair advantage resulting from insider information. The Contractor shall be responsible for selecting winning IC bids. Following are broad categorizations of IC RFPs, identified by DOEE, which the Contractor may use:

C.5.2.4.1.1 Open IC RFPs

Open IC RFPs require ICs to enter into contracts with the Contractor to provide services to participants of the DCSEU but the contract is not exclusive, rather the number of ICs is unlimited. Open IC RFPs are most appropriate when multiple entities that provide a certain service pre-exist the establishment of the IC RFP and District residents and businesses are accustomed to choosing these service providers in a competitive environment. An example of an open IC RFP would be an RFP where solar installers are required to agree to certain business practices, in a contract with the Contractor, in order for the installers' participants to be eligible to receive a DCSEU incentive.

C.5.2.4.1.2 Semi-Exclusive IC RFPs

Semi-Exclusive IC RFPs are appropriate when only a limited number of ICs are practical or when limiting the number of ICs will enable the provision of services at a more affordable cost. An example of a semi-exclusive IC RFP is an RFP that solicited up to five firms to provide weatherization services at a specified price. Because of the extensive certification process required for these ICs, an unlimited number of ICs for this service would be impractical.

C.5.2.4.1.3 Exclusive IC RFPs

Exclusive IC RFPs are appropriate when only one provider of a service is required for the efficient provision of a service. An IC RFP issued for an appliance rebate processor is an example where only one IC is practical and cost-

effective.

C.5.2.4.2 IC Selection and Contracting Procedures

The Contractor shall be responsible for selecting winning IC bids. Contract agreements with ICs must be consistent with prudent business practices, require fair employment practices, and incorporate all required federal and District flow-down provisions from the DCSEU Contract. In addition, RFPs to select ICs must provide a preference for CBEs as specified in Section H.1.

C.5.2.4.3 IC Performance

The Contractor shall develop and implement procedures to assign, monitor, review, and approve completed work, and to ensure ICs are compensated in a timely manner. As stated in Section H.12, to ensure ICs are paid promptly, the Contractor will be required to maintain a capital reserve or line of credit in the amount that covers 100% of approved invoices for an average month of expenses paid out to DCSEU ICs and subcontractors. The Contractor shall develop appropriate mechanisms to accurately evaluate, monitor, and verify program performance and IC performance. When appropriate, the Contractor shall conduct site visits and review the files of the ICs as necessary to ensure contract compliance.

C.5.2.5 Qualification and Certification of DCSEU's and IC's Workforce

Within 90 days of the DCSEU contract execution, the Contractor shall identify local workforce training programs that will assist ICs to qualify for Implementation Contracts and/or District residents to qualify for potential DCSEU vacancies. The Contractor shall additionally develop a resource guide for potential DCSEU employees and ICs that will list workforce training requirements, educational opportunities, and related information to assist potential DCSEU employees and ICs in responding to DCSEU vacancies and RFPs.

C.5.2.6 Workforce Training

The Contractor shall actively support District-based energy efficiency and renewable energy workforce training programs. This support shall include activities such as collaboration with training/educational institutions to identify training needs and provide input into curriculums. The Contractor shall foster strong relationships between training programs and ICs/DCSEU workforce in order to improve placement and retention outcomes through sponsorship of seminars, recruitment fairs, and on-the-job training with ICs who agree to hire individuals pending successful completion of the training.

Activities within the training programs must:

- Provide an initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

- Address skills and competencies demanded by the energy efficiency industry;
- Result in an industry-recognized degree or certificate that indicates a level of mastery and competence in the energy-efficiency field or function;
- Support participants' advancement along a defined career pathway;
- Integrate occupational training with basic skills training (e.g. adult basic education and job readiness training) to ensure that participants have the foundational skills necessary to attain and retain employment;
- As appropriate, integrate training activities with case management and supportive services to ensure that participants have the necessary support to overcome barriers to employment;
- Promote opportunities for placement after training, and work to ensure placement of trainees where possible; and
- Provide training for District residents who are at least 18 years of age and fall into one or more of the following categories:
 - Unemployed District residents;
 - High school dropouts;
 - District residents with a criminal record; and
 - Low-income individuals.

C.5.2.7 Program Marketing and Consumer Education

The Contractor shall develop and implement a public and consumer information strategy to: (1) promote participant involvement in and market awareness of DCSEU services; (2) increase consumer awareness and understanding of the benefits of energy efficiency and renewable energy both for participants and non-participants; (3) increase consumer demand for DCSEU services; and (4) affect consumer decision-making in consumer-driven energy efficiency choices. When appropriate, the Contractor shall develop and implement energy education and technical training services and initiatives in cooperation with District-based educational institutions and community-based organizations. The Contractor must consider existing local resources for marketing and educational initiatives. With approval from DOEE, the Contractor may coordinate marketing and educational initiatives with private entities operating sustainable energy programs in adjacent or nearby jurisdictions.

The Contractor shall develop and maintain all website content for DCSEU activities. The Contractor will coordinate with DOEE on how the DCSEU website's content interfaces with content on DOEE's website at <http://doee.dc.gov/energy>.

C.5.3 Required Reports

The Contractor shall prepare and submit Monthly, Quarterly, and Annual Reports. The contents of these reports as well as the entities that are to receive each of them are described below. The Contractor and DOEE will jointly develop standard formats for each report after execution of the DCSEU contract. The Contractor shall establish reporting procedures in Implementation Contracts so that the Contractor has the necessary data and information for

the preparation of the Monthly, Quarterly, and Annual Reports.

C.5.3.1 Monthly Reports

The Contractor shall prepare and submit Monthly Reports to DOEE. These reports shall include: program participation data and actual expenditures for administrative, IT, natural gas and electricity-related program expenditures, and service delivery costs compared to the budget amounts. Monthly Reports shall include numerical data that documents progress toward achieving the DCSEU's overall benchmarks and are considered to be activity monitoring reports. Monthly reports are intended to ensure clear communication between DOEE and the Contractor. Monthly reports are due thirty (30) days after the end of the month.

C.5.3.2 Quarterly Reports

The Contractor shall prepare and submit Quarterly Reports to DOEE. On the months the quarterly reports are due, they shall replace the monthly reports. Quarterly Reports shall include: (1) actual expenditures for administrative, information technology, natural gas and electricity-related program expenditures, and service delivery costs compared to the annual component of the approved budget; (2) a report of progress made towards achieving energy savings and participant-sited renewables benchmarks, and other agreed-upon indicators of performance; (3) a summary of activity highlights for the quarter; (4) a summary of any significant implementation issues and changes or anticipated changes in implementation strategies and services; (5) a quarterly total (retained and created) of hires (in FTEs) by the Contractor and ICs attributable to DCSEU programs that are District residents; and (6) number of DOES referrals hired as reported on the Contractor's and IC's First Source Employment Agreement Form for the quarter.

C.5.3.3 Annual Reports

The Contractor shall prepare and submit Annual Reports to DOEE, by October 30th of each year. Annual Reports shall include: (1) actual expenditures for administrative, information technology, natural gas and electricity-related program expenditures, and service delivery costs, compared to the annual component of the approved budget; (2) a detailed financial report for the DCSEU (including an annual budget); (3) a summary of progress and highlights for the year, including any significant changes in strategies or services and indirect savings acquisition activities; (4) an assessment of the DCSEU's performance for the year with respect to the benchmarks, and other agreed-upon indicators of performance; (5) annual energy savings and participant-sited renewable energy estimates (expressed in energy units and dollar amounts) with supporting data; (6) total (retained and created) hires (in FTEs) by the Contractor and ICs attributable to DCSEU programs that are District residents; and (7) number of DOES referrals hired as reported on the Contractor's and IC's First Source Employment Agreement Form for the past year.

C.5.3.4 Asset Tracking Log

The DCSEU shall provide a detailed breakdown of all logos, trademarks, databases, copyrighted material or material eligible for copyright, computer, telecom, IT, and physical equipment, computer software, surveys, survey results, and program designs purchased or developed with SETF funds or other District funds used to support the DCSEU contract. Individual items valued at least \$100 need to be tracked. This shall be referred to as an Asset Tracking Log, which, along with related expenses, shall be presented to DOEE twice annually. The log shall include a description of the asset, acquisition date, tag number, serial number, warranty information, location of the item, and information related to replacement item(s) if the asset was disposed of or retired.

C.5.3.5 DC Language Access Act of 2004

Pursuant to the DC Language Access Act of 2004, the DCSEU must, when applicable, collect data on the number of limited or no-English proficiency (LEP/NEP) constituents served per quarter, and languages spoken by said clients. The DCSEU shall refer these constituents to DOEE for language services.

C.5.3.6 National Historic Preservation Act

The DCSEU must comply with the requirement of the National Historic Preservation Act (Section 106) by providing to DOEE a written concurrence of no objection from the State Historic Preservation Officer (SHPO) of the District of Columbia. The DCSEU shall require that its subcontractors, ICs, and vendors comply with the requirements set forth in this paragraph.

C.5.3.7 Information Requests

The Contractor shall respond in a timely and complete manner to any information requests submitted by DOEE regarding program budgets, expenditures, savings, and activities.

C.5.4 Innovation Fund Programs

DOEE recognizes that innovative ideas are needed to drive sustainable energy in the District. In order to support the development and deployment of new and innovative energy efficiency and renewable energy initiatives, a portion of the contract, not to exceed 5% of the annual funds from the SETF, may be allocated into one or more “innovation funds” to support pilot programs. Such programs will still be considered as part of the total portfolio of DCSEU programs that must meet the societal benefit test at the end of the five-year base period of the contract, as required by CAEA (see section C.7.6). Innovation programs shall be subject to review and approval by DOEE, and must have proposed metrics and methodology for how an innovation program’s success will be evaluated. Pilot programs should not be funded by the innovation funds for more than three years. Offerors shall propose, in their responses to this RFP, the types of programs (e.g. research and development, behavioral, etc.) that shall be

paid for with innovation funds, and how the innovation funds will be divided among the approved innovation programs.

C.5.5 Evaluation, Measurement, and Verification

The Contractor shall cooperate fully with DOEE-funded independent evaluation(s) of the Contractor's performance. Within six months of DCSEU contract execution, the Contractor must develop data collection protocols, approved by DOEE, that facilitate the evaluation, measurement, and verification ("EM&V") of the energy saved by the DCSEU's programs. Each DCSEU program not funded out of the innovation fund shall include an EM&V plan that details monitoring and data collection activities sufficient to track savings. In program design, the Contractor shall identify appropriate and cost-effective evaluation, measurement, and verification activities for energy efficiency measures that are eligible to be bid into the RPM.⁴ DCSEU pilot programs funded by the innovation funds need not undergo full EM&V, but shall have a plan for monitoring, data collection, and evaluation to determine if the program savings can be verified and whether the program should be transitioned out of the innovation funds and be fully funded.

The Contractor shall develop and continually update a Technical Reference Manual ("TRM") so that it contains current documentation on all measure and program assumptions. The Contractor shall use the Mid-Atlantic TRM, developed by the Northeast Energy Efficiency Partnerships' ("NEEP") EM&V Forum,⁵ and the current DCSEU TRM, as the basis for the Contractor's TRM. The Contractor shall coordinate the development of its TRM with the standards adopted by the PACE program described in Section C.5.6.1. When available, and in consultation with DOEE, the Contractor may use other relevant resources and regional databases to develop and update the DCSEU's TRM.

C.5.6 Identify and Leverage Additional Funding for the DCSEU

The Contractor shall identify and assess additional funding opportunities for the DCSEU. The Contractor will be expected to leverage external funds which would expand the DCSEU's budget beyond the amounts annually available from the SETF. The success of the DCSEU at leveraging additional funds beyond the SETF shall be evaluated by a performance benchmark defined in Section C.7.4.5. The Contractor shall maximize and/or leverage revenue from federal grants, District grants, private grants, along with other mechanisms discussed below. Revenues to the DCSEU from such funding opportunities shall not cause adjustment to the performance benchmarks and incentives identified in section C.7 so long as the external funds are utilized in conjunction with SETF funds to supplement programs.

⁴ The PJM's Energy Efficiency Measurement & Verification Manual and market rules applicable to bidding energy efficiency resources in the RPM can be found in PJM Manual 18 B. See <http://www.pjm.com/documents/manuals.aspx>

⁵ See <http://www.neep.org/initiatives/emv-forum>

C.5.6.1 Property Assessed Clean Energy Program and Other Financing Mechanisms

The Energy Efficiency Financing Act of 2010 (DC Law 18-183, D.C. Code § 8-1778.01 *et seq.*) created a Property Assessed Clean Energy (“PACE”) program to provide funding for the initial installation of energy efficiency and renewable energy retrofits and improvements in the District. This program is currently operated by a private sector organization under the “DC PACE Commercial” brand under a separate contract with DOEE. In the strategic planning analysis (see section C.5.2.1), the Contractor shall identify how the DCSEU can leverage the funding from PACE to benefit DCSEU programs. In addition, the Contractor shall evaluate financing options other than the DC PACE Commercial program in the strategic planning analysis.

Under the direction of DOEE, the Contractor shall collaborate with the administrator of the DC PACE Commercial program to assess possible coordination of activities such as marketing, workforce development, EM&V, and participation in the PJM Capacity Market.

C.5.6.2 PJM Capacity Market

The Contractor is authorized to claim, in the PJM Capacity Market, any capacity resources that result from the programs and initiatives funded by the DCSEU contract on behalf of the ratepayers of the District. The Contractor shall notify in writing recipients of DCSEU services and initiatives that, unless otherwise agreed, by accepting DCSEU services and/or financial incentives, they are assigning their rights to any capacity credits to the Contractor. The Contractor shall seek to maximize net revenue available from certain energy efficiency measures in DCSEU programs that are eligible for Capacity Credits under the PJM Reliability Assurance Agreement. In its strategic planning analysis, the Contractor shall identify program measures that may be bid into the RPM and estimate the potential revenue to the DCSEU from bidding the capacity related to these program measures into the RPM.⁶ The analysis shall additionally assess alternative methods that the DCSEU may benefit from the PJM Capacity Market, such as requesting ICs to discount their bids in return for the Contractor granting the ICs ownership of the capacity credits attributable to the energy efficiency services the IC is providing.

Under the direction of DOEE, the Contractor shall coordinate with the administrator of the DC PACE Commercial program on the bidding of eligible energy resources from the DCSEU and DC PACE Commercial into the RPM. The Contractor shall also collaborate with the administrator of the DC PACE Commercial program on the potential benefits of coordinating EM&V activities as directed by DOEE.

⁶ For more information on how energy efficiency may be bid into PJM's RPM see <http://www.pjm.com/markets-and-operations/-/rmedia/markets-ops/rpm/20090406-dr-ee-in-rom-collateral.ashx> and PJM Manual 18 B at <http://www.pjm.com/documents/manuals.aspx>

Costs of the Contractor's participation in the PJM Capacity Market shall be considered as reimbursable costs, under Section C.7.1 of this RFP. The Contractor shall transfer revenues, net of applicable fees, received from participation in the PJM Capacity Market to the SETF. Any revenue, net of applicable fees, for bidding into the RPM generated by the DCSEU programs, received by the Contractor shall be reinvested into DCSEU programs and activities. In the event of termination or expiration of the DCSEU contract, any such net revenues held by the Contractor on the effective date of termination shall be transferred to the Fiscal Agent.

As part of its reporting requirements in Section C.5.3, the Contractor shall provide a detailed breakdown of any capacity resources bid into the RPM, and the total net revenues, after deducting applicable fees, received from PJM for those resources.

C.5.6.3 Renewable Energy Certificates and Investment Tax Credits

In the strategic planning analysis (see section C.5.2.1), the Contractor shall evaluate any potential revenues available to the DCSEU from obtaining Renewable Energy Certificates ("RECs"), Solar Renewable Energy Certificates ("SRECs"), and/or Federal Investment Tax Credits ("ITCs") on behalf of District-based renewable energy generators.

C.6 EVALUATION, MEASUREMENT, AND VERIFICATION

C.6.1 Evaluation, Measurement And Verification of DCSEU Activities by DOEE

DOEE will direct the FA to hold in reserve an amount equal to 8% of annual SETF funding for the DCSEU contract to pay for EM&V of the DCSEU, through a subcontract with independent EM&V contractor(s). This requirement is pursuant to the CAEA which requires DOEE to commission an annual independent review of the performance and expenditures of the DCSEU and report the results of this review to the Board and the District Council within six months of the conclusion of each year of the DCSEU contract. Contractor EM&V costs incurred shall be reimbursed pursuant to Section C.7.1.1.

In general, the EM&V activities will consist of the following:

C.6.1.1 Evaluation

Evaluation describes the conduct of any of a wide range of assessment studies and other activities aimed at determining the effects of a program, understanding or documenting program performance, program or program-related markets and market operations, program-induced changes in energy efficiency markets, levels of demand or energy savings, or program cost-effectiveness. Market assessment, monitoring and evaluation ("M&E"), and measurement and verification ("M&V") are aspects of evaluation.

C.6.1.2 Measurement and Verification

M&V is a subset of program impact evaluation that is associated with the documentation of energy savings at individual sites or projects using one or more methods that can involve measurements, engineering calculations, statistical analyses, and/or computer simulation modeling.

C.6.2 EM&V Protocols

The DCSEU, in consultation with DOEE, shall develop EM&V protocols. For the development of these protocols, the DCSEU shall rely heavily on regional and national efforts to standardize EM&V protocols, methods, and assumptions. In particular, the DCSEU may base EM&V protocols on the products developed by the NEEP EM&V Forum.⁷

C.6.3 Contractor's Role in EM&V

As described in section C.5.5, the Contractor shall include an EM&V Plan that details monitoring and data collection activities for each DCSEU program approved by DOEE. In program design, the Contractor shall identify appropriate and cost-effective measurement, monitoring, and verification activities for energy efficiency measures that are eligible to be bid into the RPM. The Contractor must also cooperate fully with DOEE-funded independent reviews of contractor performance. The DCSEU will develop EM&V protocols, and these protocols will be subject to approval by DOEE. The Contractor shall develop and continually update a TRM so that it contains current documentation on all measures and program assumptions. The Contractor shall use the results of EM&V in the strategic planning analysis (see section C.5.2.1). DOEE may require the Contractor to participate in the NEEP EM&V Forum.

C.6.4 Financial Audit

The CAEA also allows up to \$100,000 of SETF funds to be used for the independent review. DOEE considers this independent review to be an audit of the DCSEU's annual expenditures and not part of EM&V.

C.7 Performance Contract and Compensation

This section describes the minimum performance requirements, performance benchmarks, at risk compensation/incentives that apply to the DCSEU contract, and the period of performance under the term of the contract.

C.7.1 Contractor Compensation and Limitation on Recovery of Costs

C.7.1.1 Contractor Compensation – Costs and Fixed Fee

The Contractor shall be compensated for reasonable and appropriate services provided and expenses incurred in order to perform the Statement of Work. The compensation of

⁷ See <http://www.neep.org/initiatives/emv-forum>

the Contractor will be based on the actual costs incurred by the Contractor (to include equipment) plus a fee. The fee will be made up of two parts:

- 1) A fixed portion; and
- 2) An at-risk performance incentive portion which is subject to the conditions stated in Section C.7.2 of this RFP.

The size of the fixed fee is subject to negotiation between DOEE and each Offeror based upon the proposed annual fee (in dollars) included in the Offerors' Proposals. The proposed annual fixed fee shall be determined by Offerors and evaluated by the District based upon the amount of the annual Cost Reimbursement Ceiling as specified in section B.3. The Contracting Officer will not consider accepting an annual fixed fee that exceeds four percent of the annual Cost Reimbursement Ceiling. Once determined for and included in the award of the Contract, the dollar amount of the annual fixed fee shall not be increased unless the District increases the annual Cost Reimbursement Ceiling by \$500,000 or more by modification to the Contract, and any fee increase must be proposed by the Contractor and accepted by the CO.

If the Contractor is a for-profit entity, only costs determined in writing to be reimbursable by the Contracting Officer, in accordance with the cost principles set forth in rules issued pursuant to Procurement Practices Reform Act of 2010, Title 27 DCMR Chapter 33, Contract Cost Principles, shall be reimbursable. The Contractor's actual costs incurred to perform the Statement of Work shall be reasonable and appropriate. If the Contractor is a non-profit organization, DOEE and the Contractor agree to use the guidelines established by the Federal Government for Federal cost reimbursable grants as the basis for determining whether or not a particular direct or indirect cost item incurred under the DCSEU contract is reasonable and appropriate. Such Federal guidelines are contained in OMB Circular A-122, dated May 10, 2004.

The Contract Administrator and the Contractor shall come to agreement on the following items:

- The types of costs that constitute the Contractor's fringe-benefit and payroll-related costs and the Contractor's organization-wide indirect costs; and
- The method for allocating an equitable share of the Contractor's organization-wide indirect costs to the Statement of Work.

Any modifications to the above two items must be agreed upon in advance by the Contract Administrator.

C.7.1.2 Limitation on Recovery of General and Administrative Costs

General and Administrative Costs shall include, but not be limited to, the following: overhead (such as rent and utilities); budgeting and financial management; contract management; and data collection and reporting. General and Administrative costs

associated with serving an individual market segment or program shall be included in the budget allocation for that market segment or program and are not considered General Administrative Costs for the purposes of this paragraph.

For the period of October 1, 2016 through September 30, 2021, compensation for such General and Administrative Costs identified in Section L.1.2.1, shall not exceed 20% annually of the Cost Reimbursement Ceiling, as defined in Section B.7, or 20% of the reimbursable costs invoiced, whichever is less, unless Contractor is granted prior written approval from DOEE to exceed this limit. For example, if the Cost Reimbursement Ceiling for Year 1 is \$17.4 million, the General and Administrative Costs for Year 1 shall not exceed \$3.48 million if the Contractor incurred reimbursable costs totaling \$17.4 million in Year 1.

C.7.1.3 Recovery of Information Technology Costs

The Contractor shall provide a breakdown of the costs associated with the delivery of the information technology services and equipment set forth in the Statement of Work, which shall be subject to DOEE review and approval.

C.7.2 Performance Incentives

An incentive/at-risk portion equal to five percent (5% or \$5 million) of the total contract value over the five year base period of the contract will be paid in part or in full, if earned according to the conditions and criteria stated in Section C.7.4.

C.7.3 Performance Benchmark Goals

The CAEA requires that the DCSEU Contractor achieve minimum performance benchmarks consistent with the purposes of the act, including:

- (1) Reduce energy consumption in the District of Columbia;
- (2) Increase renewable energy generating capacity in the District of Columbia;
- (3) Improve the energy efficiency or increase the renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District of Columbia; and
- (4) Increase the number of green-collar jobs in the District of Columbia.

These requirements establish the basis for the performance benchmarks defined in Section C.7.4 below. (See CAEA § 201(d)(1), D.C. Official Code § 8-1774.01(d)(1)).

In implementing the energy consumption benchmark of the CAEA, DOEE has established separate performance benchmarks for reductions in electricity consumption and natural gas consumption. In addition, this RFP also has a benchmark for leveraging external funds. Therefore, Section C.7.4 below has six performance benchmarks, one for each of the

following: Electricity, Natural gas, Renewable generation, Low-income programs, Green jobs, and Leveraged funds.

For the five-year base period of the contract, the Contractor is eligible to receive a maximum amount of \$5 million (or 5% of the \$100 million contract value) in performance incentives. The \$5 million total amount is allocated among the six benchmarks as follows:

Table C.1: Five-Year Cumulative Incentive Allocation

Performance Benchmark	Percent of Total Incentive Amount	Year 5 Cumulative Incentive Amount
Reduce Electricity Consumption	35%	\$ 1,750,000
Reduce Natural Gas Consumption	25%	\$ 1,250,000
Increase Renewable Energy Generating Capacity	15%	\$ 750,000
Increase the number of Green-Collar Jobs	10%	\$ 500,000
Improve the Energy Efficiency and Renewable Energy Generating Capacity of Low-Income Housing, shelters, clinics, or other buildings serving low-income residents	10%	\$ 500,000
Leverage External Funds to support energy efficiency and renewable energy projects	5%	\$ 250,000

In addition, the Contractor shall track and report to DOEE at least semiannually during the term of the contract the impact of its programs on:

- a) Reducing the growth of peak electricity demand in the District of Columbia; and
- b) Reducing the growth of the energy demand of the District of Columbia's largest energy users. (See CAEA § 201(d)(2), D.C. Official Code § 8-1774.01(d)(2)).

An additional Contract requirement is that the portfolio of DCSEU energy efficiency programs, funded by the SETF, must as a whole pass the societal benefit test for the term of the base period of the contract. To meet this requirement, the Contractor must design the portfolio of energy efficiency programs such that they pass the societal benefit test. See section C.7.6 for the definition and methodology for the societal benefit test to be used in the evaluation of the DCSEU programs.

C.7.4 Performance Benchmarks and Incentives

Performance benchmarks are designed to provide assurance to the public, the SEUAB, and DOEE that the Contractor is making progress towards meeting the goals detailed in sections C.7.3 and C.7.4. Each benchmark and the associated compensation scheme are detailed in sections C.7.4.1 to C.7.4.5. The benchmarks may be changed at any time with the approval of both the Contractor and DOEE by written modification to the Contract.

DOEE shall assess the penalties described below in this section C.7.4 for failure of Contractor to achieve the performance benchmarks prescribed below in this section C.7.4. Some penalties will be assessed annually and some only after performance of the five-year base period. Further, penalty amounts under each benchmark will be set off against incentives earned and payable under all benchmarks for that year. DOEE-assessed penalty amounts will not be set off against payments earned for cost-reimbursable Contract work.

The metrics for the performance benchmarks and incentive structure are provided below for the five-year base period only. After each year of performance in the base period, DOEE will determine the eligibility of the Contractor to earn a performance incentive; DOEE will complete an independent evaluation of the Contractor's programs annually, and based on the evaluation, will determine the Contractor's eligibility for payment of a performance incentive. The metrics for the performance benchmarks for the five-year option year period shall be identical to those for the base period, and may be subject to change with the approval of both the Contractor and DOEE by written modification to the contract.

The period of performance shall occur in five one-year phases for the five-year base period of the contract. For the green jobs benchmark, the Contractor will be evaluated annually based on the percentage of FTE office jobs that were held by District residents. The incentive amount for the green jobs benchmark is capped at an annual amount of \$100,000 or a total of \$500,000 over the five-year base period. For the low-income benchmark, the Contractor will also be evaluated on an annual basis for the percentage of SETF dollars spent on low-income programs and the acquisition cost of those programs. The incentive amount for the low-income benchmark is capped at an annual amount of \$100,000 or a total of \$500,000 over the five-year base period.

For the electricity savings, natural gas savings, and renewable energy generating capacity benchmarks, the Contractor's performance shall be independently evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the base period. Therefore, in the final evaluation after Year 5, the Contractor's cumulative performance over the five years of the base period will be independently evaluated. In the tables below, the cumulative achievement numbers are the actual benchmarks for each year, and will result in an incentive payment if the Contractor meets or exceeds one or more of the minimum targets in a given fiscal year, and also meets any other requirement(s) stated below to be eligible for an incentive payment. For example, for the electricity and natural gas benchmarks, the Contractor must achieve the minimum target for *both* electricity and natural gas to be eligible for an incentive payment.

The total incentive for each multi-year benchmark for which the Contractor is eligible is capped by the incentive amount available for that benchmark in Year 5 of the base

period. Specifically, for the electricity benchmark the maximum incentive is \$1.75 million; for the gas benchmark the maximum incentive is \$1.25 million; and for the renewable energy capacity benchmark the maximum incentive is \$750,000. Therefore, the final incentive amount paid to the Contractor for each of these three benchmarks will be the incentive amount they are eligible for after Year 5 minus any incentive funds previously paid out for that benchmark during the five year period.

In this multiyear, performance-based contract, in a particular year of the contract, the Contractor shall be eligible for performance incentives only up to the amount set aside for that year. Therefore, if this multiyear contract is terminated early, i.e. before the end of the five-year base period, the Contractor shall be eligible for an incentive payout not to exceed the total incentive amount for the year the contract is terminated, even if the Contractor achieves performance targets that would have made it eligible for greater incentives in a later year of the contract.

Each of the six performance benchmarks is described in detail below followed by descriptions of the Contract's methods of implementing the incentive and penalty compensation structures for each benchmark, as applicable.

C.7.4.1 Reduce Electricity and Natural Gas Consumption in the District of Columbia

C.7.4.1.1 Enumerated Benchmark

The Contractor shall develop and implement energy efficiency programs for electricity and natural gas users that directly lead to annual reductions of weather-normalized total electricity and natural gas consumption in the District for 2014. The numeric energy reduction targets for electricity and natural gas are specified in tables C.2 and C.3 below, expressed as a percentage of the baseline year of 2014, i.e., the weather-normalized electricity and natural gas consumption in the District for 2014. The numeric targets for Years 2 through 5 in the tables below represent cumulative targets for each benchmark. As this is a multiyear contract, performance incentives are available on a cumulative basis, each year of the base period of the contract, based on the Contractor's performance. However, as stated above, the total incentive amount the Contractor is eligible for over the five-year base period is capped at \$1.75 million for electricity and \$1.25 million for natural gas. Energy savings are measured in both megawatt-hours (MWh) for electricity and therms for Natural Gas, but also as a percentage of the 2014 District of Columbia energy consumption, normalized for weather.

If the DCSEU implements energy efficiency programs that cause participants to switch how equipment or an application is powered (i.e., from electricity to natural gas or from natural gas to electricity), any increase in kilowatt-hours (kWh) or therms as a result of the switch will be counted as 'negative savings' towards the relevant benchmark. For example, if an energy efficiency program causes a consumer to replace an electric heat pump with a natural gas furnace, then the increase in the

consumption of therms as a result of the switch to using natural gas for space heating would be counted as ‘negative savings’ toward the therms savings benchmark while the reduction in kWh from no longer using electricity for space heating would be counted as ‘positive savings’ toward the kWh savings benchmark. Similarly, if an energy efficiency program causes a consumer to replace a natural gas furnace with an electric heat pump, then the increase in the consumption of kWh as a result of the switch to using electricity for space heating would be counted as ‘negative savings’ toward the kWh savings benchmark, while the reduction in therms from no longer using natural gas for space heating would be counted as ‘positive savings’ toward the therms savings benchmark.

For any DCSEU energy efficiency programs that cause participants to switch how equipment or an application is powered (i.e., from electricity to natural gas or from natural gas to electricity), kWh and therms savings shall be converted to BTUs, in accordance with the total fuel cycle methodology used by the U.S. Environmental Protection Agency and U.S. Energy Information Agency data for the District of Columbia, for the purpose of calculating the Societal Benefit Test.

Table C.2: Performance Benchmark for Reductions in Electricity Consumption

	YEAR 1: Benchmark	YEAR 2: Cumulative Benchmark	YEAR 3: Cumulative Benchmark	YEAR 4: Cumulative Benchmark	YEAR 5: Cumulative Benchmark
<i>Minimum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.53%	1.06%	2%	3%	4%
Minimum Goal (MWh)	60,878	121,756	230,594	345,891	461,188
<i>Maximum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.75%	1.5%	2.5%	3.5%	5%
Max Goal (MWh)	86,473	172,945	288,242	403,539	576,485

Table C.3: Benchmark for Reductions in Natural Gas Consumption

	YEAR 1: Benchmark	YEAR 2: Cumulative Benchmark	YEAR 3: Cumulative Benchmark	YEAR 4: Cumulative Benchmark	YEAR 5: Cumulative Benchmark
<i>Minimum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.25%	0.66%	1.2%	1.7%	2.5%
Minimum Goal (therms)	852,565	2,250,770	4,092,310	5,797,438	8,525,645
<i>Maximum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.5%	1%	1.5%	2%	3%
Maximum Goal (therms)	1,705,129	3,410,258	5,115,387	6,820,516	10,230,774

C.7.4.1.2 Performance Incentive Compensation Structure – Electricity and Natural Gas

As shown in Tables C.2 and C.3, both benchmarks have minimum and maximum levels of achievement. There are separate incentives for achievement of the electricity and natural gas consumption reduction benchmarks, so as to incentivize the Contractor to achieve the maximum possible savings for each energy source. During the five-year base period of the contract, the Contractor will be evaluated after each fiscal year of performance. In order to be eligible for the performance incentives for electricity and natural gas, the Contractor is required to meet the minimum performance targets for reductions in both electricity and natural gas consumption.

The performance incentives for achieving both the electricity and natural gas energy savings benchmarks are detailed in Tables C.4 and C.5. The Contractor shall be eligible to receive the performance incentives equal to the amount specified in Tables C.4 and C.5 for that year and fuel source, if the Contractor achieves the minimum performance targets for both benchmarks in a given year. If the Contractor achieves evaluated energy reduction savings above the minimum level for each benchmark, the Contractor shall receive pro-rated compensation per MWh or therm up to the maximum amount of compensation available for each benchmark in a given year. If in Year 2, the Contractor achieves the minimum performance targets for both benchmarks, the Contractor will receive the incentive amounts for Year 2 *minus* any incentive amounts received in Year 1. Earned incentives for succeeding Contact years will be determined in similar fashion.

The final amount of incentive the Contractor will receive for reductions in electricity and natural gas consumption will be determined by an independent evaluation and verification of DCSEU's reported energy savings conducted within six months after Year 5 of the base period. The total performance incentive after Year 5 is fixed, so the Contractor shall be paid the compensation the Contractor is eligible for at the end of the five-year term *minus* any compensation already received in Years 1 through 4.

Table C.4: Incentives for Reductions in Electricity Consumption

	YEAR 1 Incentive	YEAR 2 Cumulative Incentive	YEAR 3 Cumulative Incentive	YEAR 4 Cumulative Incentive	YEAR 5 Cumulative Incentive *
Minimum Goal (MWh)	60,878	121,756	230,594	345,891	461,188
Minimum Goal Incentive**	\$185,000	\$371,000	\$700,000	\$1,050,000	\$1,400,000
Maximum Goal (MWh)	86,473	172,945	288,242	403,539	576,485
Maximum Goal Incentive**	\$262,500	\$525,000	\$875,000	\$1,225,000	\$1,750,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor earlier in Years 1 through 4.

** Each of the minimum and maximum amounts for incentives is cumulative, and the numbers should not be added.

Table C.5: Incentives for Reductions in Natural Gas Consumption

	YEAR 1 Incentive	YEAR 2 Cumulative Incentive	YEAR 3 Cumulative Incentive	YEAR 4 Cumulative Incentive	YEAR 5 Cumulative Incentive*
Minimum Goal (therms)	852,565	2,250,770	4,092,310	5,797,438	8,525,645
Minimum Goal Incentive**	\$104,167	\$275,000	\$500,000	\$708,333	\$1,041,667
Maximum Goal (therms)	1,705,129	3,410,258	5,115,387	6,820,516	10,230,774
Maximum Goal Incentive**	\$208,333	\$416,667	\$625,000	\$833,333	\$1,250,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor in Years 1 through 4.

** Each of the minimum and maximum amounts for incentives is cumulative, and the numbers should not be added.

The following example is based on Tables C.4 and C.5, but may be used to demonstrate the procedure and framework for determining incentive payments for meeting or exceeding the minimum performance targets for reductions in electricity and natural gas consumption. For example, if in Year 1 the Contractor achieves a reduction of 55,000 MWh in total electricity consumption in the District for 2014 and a reduction of 800,000 therms in natural gas consumption in the District for 2014, the Contractor will not receive an incentive payment because the minimum electricity and gas performance targets were not met. If by the end of Year 2 the Contractor achieves a reduction of 121,756 MWh in total electricity consumption in the District for 2014 and a reduction of 2,250,770 therms in natural gas consumption in the District for 2014, the Contractor will receive an incentive payment of \$646,000 for achieving the minimum targets for reductions in both electricity and natural gas.

If by the end of Year 3 the Contractor achieves a reduction of 230,594 MWh in total electricity consumption in the District for 2014 and a reduction of 4,092,310 therms in natural gas consumption in the District for 2014, the Contractor will receive an incentive payment of \$554,000 (i.e., \$1,200,000 *less* \$646,000) for achieving the minimum targets for reductions in both electricity and natural gas. However, if the Contractor fails to achieve the minimum performance targets in Years 1 through 4, but eventually achieves the maximum performance targets for reductions in both electricity and natural gas consumption by the end of Year 5, the Contractor will receive an incentive payment in the amount of \$3,000,000.

C.7.4.1.3 Penalty Structure

Pursuant to the CAEA § 202(c) (D.C. Official Code §8-1774.02(c)), after the end of Year 5, DOEE shall assess penalties for failure to achieve the minimum performance targets for *both* electricity and natural gas benchmarks specified in Tables C.2 and C.3. The penalties shall be assessed on a pro-rated per MWh and per therm basis depending on the Contractor's cumulative achievement in Years 1 through 5, as determined by an independent evaluation and verification of the DCSEU's reported energy savings. The total penalty for failure to achieve the required reductions in electricity consumption is capped at \$1,750,000; and the total penalty for failure to achieve the required reductions in natural gas consumption is capped at \$1,250,000.

For example, if at the end of Year 5 the Contractor achieves zero (0) MWh reduction in total electricity consumption in the District for 2014 and zero (0) therm reduction in natural gas consumption in the District for 2014, the Contractor will be assessed the maximum total penalty of \$3,000,000 (\$1,750,000 for achieving 0 MWh reduction in total electricity consumption plus \$1,250,000 for achieving 0 therm reduction in natural gas consumption). However, if at the end of Year 5 the Contractor achieves 212,000 MWh reduction in total electricity consumption in the District for 2014, and 3,500,000 therms reduction in natural gas consumption in the District for 2014, the Contractor will be assessed a total penalty of approximately \$1,682,397 (\$945,557 for failure to achieve

Year 5 minimum performance target for electricity, and \$736,842 for failure to achieve Year 5 minimum performance target for natural gas).

The total penalty in the above example was calculated using on the following methodology:

Step 1: Determine the per MWh or per therm penalty by dividing the total incentive of \$1,750,000 for the electricity benchmark by 461,187 MWh; and the total incentive of \$1,250,000 for the natural gas benchmark by 8,525,644 therms. Hence, the per MWh penalty is \$3.79455622, and the per therm penalty is \$0.14661649.

Step 2: Subtract the Contractor's level of achievement from the minimum amount of MWh (461,187) and therms (8,525,644) needed to avoid a penalty at end of Year 5.

Step 3: Multiply the respective electricity and natural gas results determined in Step 2 by \$3.79455622 (for electricity) and \$0.14661649 (for natural gas) to derive the total penalty for failure to achieve both the minimum electricity and natural gas performance targets specified for Year 5.

C.7.4.2 Increase Renewable Energy Generating Capacity in the District

C.7.4.2.1 Enumerated Benchmark

The Contractor shall design and implement renewable energy programs to increase the renewable energy generating capacity within the borders of the District of Columbia. The Contractor may use both electric (e.g. photovoltaic) and thermal (e.g. solar thermal) systems. Capacity shall be measured in kW or kW-equivalent (kWe). Capacity of electricity-generating systems shall be measured in terms of Alternating Current (AC) capacity, adjusted for the influence of azimuth and tilt using the National Renewable Energy Laboratory's PV Watts performance calculator. The Contractor shall track and release to DOEE the data on every system installed, including system size, capacity adjustments and conversions, and incentives paid.

Table C.6: Benchmark and Incentives for Increasing Renewable Energy Generating Capacity

Target Level	Year 1: Benchmark & Incentive	Year 2: Cumulative Benchmark & Incentive	Year 3: Cumulative Benchmark & Incentive	Year 4: Cumulative Benchmark & Incentive	Year 5: Cumulative Benchmark & Incentive *
Minimum Goal (kW/kWe)	650	1,380	2,300	3,400	4,350
Minimum Goal Incentive (\$)**	\$97,500	\$207,000	\$345,000	\$510,000	\$652,500
Maximum Goal (kW/kWe)	1,000	2,000	3,000	4,000	5,000
Maximum Goal Incentive (\$)**	\$150,000	\$300,000	\$450,000	\$600,000	\$750,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor in Years 1 through 4.

** Each of the Minimum and Maximum numbers for incentives in Table C.6 is cumulative, and the numbers should not be added.

C.7.4.2.2 Performance Incentive Compensation Structure – Renewable Energy

Table C.6 above shows the minimum and maximum amount of performance incentives available each fiscal year for increasing renewable energy generation capacity in the District. During the five-year base period of the contract, the Contractor’s progress against each annual performance target will be evaluated after each fiscal year of performance. In order to be eligible for the performance incentives, the Contractor is required to meet or exceed the minimum performance target for a given year.

If the Contractor designs and implements renewable energy programs that increase renewable energy generating capacity above the minimum level in a given year, the Contractor will receive the minimum incentive amount *plus* a pro-rated compensation per kW or kWe up to the maximum amount of compensation available in a given year. The total performance incentive after Year 5 is capped at \$750,000, so the Contractor will be paid the maximum compensation available for Year 5 *minus* any compensation already received in Years 1 through 4.

C.7.4.2.3 Penalty Structure

After Year 5 of the five-year base period, the Contractor shall be assessed a penalty for failure to achieve the minimum performance targets for increasing renewable energy generation capacity in the District. The penalty shall be assessed on a pro-rated per kW or kWe basis depending on the Contractor’s cumulative achievement in Years 1 through 5, as determined by an independent evaluation and verification of DCSEU’s

renewable energy programs. For example, if at the end of Year 5 the Contractor designs and implements renewable energy programs that increase renewable energy generating capacity by 3,300 kW, the Contractor will be assessed a total penalty of \$180,903. The penalty for failure to achieve the required increases in renewable energy generation capacity is capped at \$750,000.

The total penalty in the above example was calculated based on the following methodology:

- Step 1: Determine the per kW or per kWe penalty by dividing the total incentive \$750,000 for the renewable energy benchmark by 4,349 kW. Hence, the per kW or per kWe penalty is \$172.453438.
- Step 2: Subtract the Contractor's level of achievement from the minimum amount of kW or kWe (4,349) needed to avoid a penalty at end of Year 5.
- Step 3: Multiply the results of Step 2 by \$172.453438 to derive the total penalty for failure to increase renewable energy generation capacity in the District by the minimum amount specified for Year 5 in Table C.6.

C.7.4.3 Benchmark for Improving the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District

C.7.4.3.1 Enumerated Benchmark

On an annual basis, the Contractor must achieve the following two requirements to be eligible for an incentive under the low-income benchmark. First, the Contractor must spend a minimum of 20% of the SETF funds allocated for the DCSEU contract expenditures on increasing the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District. For example, if the DCSEU's annual expenditures from the SETF for Year 1 are \$17.4 million, the Contractor must spend a minimum of \$3.48 million in Year 1 on low-income programs. Second, 10% of the total reduction in electricity and natural gas consumption achieved by the Contractor each year must be attributable to low-income programs implemented by the DCSEU. The annual target values of (MWh) for electricity and (therms) for natural gas shall be converted into MMBtu, and added together to derive the target value in MMBtu.

In calculating the percentage of annual expenditures (i.e. 20%), programmatic, administrative, evaluation, and other expenses of the DCSEU for all of its programs shall be included in the denominator (the DCSEU's total expenditures) but not the numerator (the amount spent on low-income programs).

There are separate performance targets for this benchmark, to incentivize the Contractor to expend funds to meet the annual expenditure target, and also achieve the maximum possible energy savings from the low-income programs implemented.

C.7.4.3.2 Performance Incentive Compensation Structure – Low-Income

The performance incentive for this benchmark is a sliding scale where the higher the percent of expenditures and the higher the amount of total energy savings achieved through low-income programs, the higher the performance incentive. Contractor's progress against this benchmark will be determined on an annual basis, based on the amount spent by the Contractor on low-income programs and the amount of total energy savings achieved through the low-income programs implemented by the DCSEU. The Contractor shall receive 50% of the annual incentive for this benchmark if the Contractor achieves an annual expenditure level for programs targeted towards low-income residents in the District, that is equivalent to 20% of the DCSEU's annual expenditures from the SETF, and at least 5% of the annual verified energy savings is attributable to low-income programs implemented by the DCSEU.

For every 1% in annual verified energy savings attributable to low-income programs above the 5% level, the Contractor will receive pro-rated compensation up to the maximum amount of incentive available in a given year. For example, if the Contractor spends 20% of its annual expenditures from the SETF on low-income programs, and 6% of the annual verified energy savings were derived through low-income programs implemented by the Contractor, the Contractor will receive a total incentive of \$60,000 (\$50,000 for achieving the required level of expenditures on low-income programs and \$10,000 for achieving 6% ("1%" greater than 5%) annual verified energy savings from low-income programs). The total performance incentive available each year is capped at \$100,000.

C.7.4.3.3 Penalty Structure

The penalty for this benchmark is on a sliding scale where the lower percent of expenditures and the lower the amount of total energy savings achieved through low-income programs, the higher the penalty. For each year of the contract, a penalty of 50% of the annual performance incentive for this benchmark (or \$50,000) shall be assessed if the Contractor spends less than 20% of the DCSEU's annual expenditures from the SETF on low-income programs, and achieves less than 5% of the annual verified energy savings through low-income programs implemented by the DCSEU. A penalty of 75% of the incentive for this benchmark incentive (or \$75,000) for this benchmark shall be assessed if the Contractor annual expenditures on low-income programs is less than 15% of the DCSEU's annual expenditures from the SETF for that year, and fails to achieve at least 4% of the annual verified energy savings through low-income programs implemented by the DCSEU. A penalty of 100% of the annual performance incentive for this benchmark (or \$100,000) shall be assessed if the Contractor's annual expenditures on low-income programs is less than 10% of the DCSEU's annual expenditures from the SETF for that year, and the Contractor

fails to achieve at least 3% of the annual verified energy savings through low-income programs implemented by the DCSEU.

C.7.4.4 Benchmark for Increasing the Number of Green-Collar Jobs in the District.

C.7.4.4.1 Enumerated Benchmark

The Contractor shall ensure that at least 88 full-time equivalent (FTE) green jobs are created each year of the contract.

C.7.4.4.1.1 Definition of Green Job

The following criteria will be used in the calculations of what constitutes a green job for the purposes of this benchmark:

C.7.4.4.1.1.1 A green job or green-collar job is 1 FTE job held by a District resident who is paid at least a living wage or a factor of \$200,000 of DCSEU direct cash incentives to end-use customers and/or manufactures to buy down the cost of energy efficiency measures. No distinction is required for new versus retained jobs.

C.7.4.4.1.1.2 1 FTE = 1,950 work- hours and is applied to hours reported by the DCSEU and its subcontractors. The DCSEU shall report hours worked by submitting certified payrolls to DOEE.

C.7.4.4.1.1.3 Only direct jobs are to be used in the green jobs calculation. Indirect (primarily suppliers to DCSEU contractors or subcontractors) and induced jobs (derived from a multiplier effect) shall not be counted.

C.7.4.4.1.2 Green Job Tracking System

An automated Green Job Tracking System shall be established by the Contractor within 30 days after contract award, to capture FTE green job-hours worked by the DCSEU and its subcontractors. The implementation of this tracking system shall be a priority for the Contractor in the Year 1 of the DCSEU contract so that the data pertaining to green jobs is captured in a timely manner. The Contractor shall obtain approval by DOEE of the proposed system prior to implementation and use of the tracking system.

In addition to tracking FTE green jobs obtained by District residents as a result of DCSEU programs, the following supplemental information shall also be tracked by the Contractor and reported to DOEE. The Contractor must be in compliance with the reporting requirements of this section C.7.4.4 to be eligible to receive a performance incentive for this benchmark.

- C.7.4.4.1.2.1** Total number of FTE green jobs resulting from DCSEU expenditures, whether District residents are placed into those FTE green jobs or not.
- C.7.4.4.1.2.2** The total number of FTE green jobs occupied by District residents earning a living wage.
- C.7.4.4.1.2.3** Number of District residents placed into job training slots as a direct result of DCSEU expenditures or other action by the Contractor.
- C.7.4.4.1.2.4** Brief description of jobs that District residents were placed into resulting from training programs.
- C.7.4.4.1.2.5** Categorization of the types of jobs occupied by District residents.
- C.7.4.4.1.2.6** Identification of the Ward that corresponds to the home address of District residents that occupy FTE green jobs.
- C.7.4.4.1.2.7** Total dollar amount of DCSEU cash incentives to end-use customers and manufactures to buy down the cost of energy efficiency measures.

C.7.4.4.2 Performance Incentive Compensation Structure – Green Jobs

The performance incentive for this benchmark will be determined on an annual basis based on the number of FTE green jobs created for District residents as a result of DCSEU expenditures and activities. The performance incentive is on a sliding scale where the higher the percent of District residents hired as a result of DCSEU expenditures, the higher the performance incentive. The Contractor shall receive 50% (or \$50,000) of the incentive available each fiscal year for achieving 75% (or 66 FTEs) of the number of green jobs specified in section C.7.4.4.1. The Contractor shall receive pro-rated compensation per green job up to the maximum incentive available for this benchmark, for creating more than 75% percent of the required number of green jobs for a given year of the five year base period.

For example, the Contractor shall receive a total compensation of \$81,822 for creating 80 green jobs for District residents in a given year (\$50,000 for first 66, plus an additional \$2,273 for every one (1) additional job). The total performance incentive available each year is capped at \$100,000.

C.7.4.4.3 Penalty Structure

The penalty for this benchmark is a sliding scale where the lower the percent of District residents hired as a result of DCSEU expenditures, the higher the penalty. For each year of the contract, a penalty of 50% (or \$50,000) of the annual performance

incentive for this benchmark shall be assessed on the Contractor if the Contractor fails to create at least 75% of the annual performance target specified in section C.7.4.4.1 for increasing the number of FTE green jobs created for District residents. A penalty of 75% (or \$75,000) of the performance incentive for this benchmark shall be assessed if the Contractor creates less than 50% of the annual performance target for increasing the number of FTE green jobs created for District residents. A penalty of 100% of the performance incentive for this benchmark shall be assessed on the Contractor if the Contractor creates less than 25% of the annual performance target for increasing the number of FTE green jobs created for District residents. The total penalty for this benchmark is capped at \$100,000 per year.

C.7.4.5 Benchmark for Leveraging Funds to Support Energy Efficiency and Renewable Energy Projects

C.7.4.5.1 Enumerated Benchmark

The Contractor shall identify and secure additional funds, beyond the amounts annually available from the SETF, to support energy efficiency and renewable energy projects and achieve the performance benchmarks. The Contractor must obtain at least \$5 million during the base period from federal grants, private grants, PJM Capacity Market or other funding opportunities. Revenues to the DCSEU from such funding opportunities shall not cause adjustment to the performance targets and incentives identified in section C.7 so long as the funds are utilized in conjunction with SETF funds to supplement programs. District funds from sources other than the SETF shall *not* be counted towards this benchmark.

The Contractor shall consider the unique financial characteristics of the DCSEU's contract with the District and pursue suitable financial opportunities that do not adversely affect ratepayers nor require additional financial commitments from the District to support the DCSEU's contract.

C.7.4.5.2 Compensation Structure

The performance incentive for this benchmark will be determined after the conclusion of Year 5 of the contract given the complexities and time involved in securing additional funds to support DCSEU programs. The performance incentive is a sliding scale where the higher the amount of funds obtained from non-District sources, the higher the performance incentive. If the Contractor obtains \$2.5 million from non-District sources to support and expand DCSEU programs, the Contractor shall receive 50% (or \$125,000) of the performance incentive available for this benchmark. The Contractor shall receive pro-rated compensation per dollar, up to the maximum incentive available for this benchmark, for obtaining more than \$2.5 million from non-District sources to augment DCSEU programs. The total incentive for this benchmark is capped at \$250,000 for obtaining \$5 million or more in leveraged non-District funds.

For example, the Contractor shall receive a total compensation of \$175,000 for obtaining \$3.5 million from non-District sources to support and expand DCSEU programs (\$125,000 for obtaining \$2.5 million plus \$50,000 $((\$125,000/\$2,500,000) \times \$1,000,000)$ for obtaining an additional \$1 million).

C.7.4.5.3 Penalty Structure

After Year 5, the Contractor shall be assessed a penalty of 50% (or \$125,000) for failure to obtain at least \$2.5 million in funding from non-District sources to support DCSEU's energy efficiency and renewable energy programs. The Contractor shall be assessed a penalty of 75% (\$187,500) for failure to obtain at least \$2 million from non-District sources to augment DCSEU programs. A maximum penalty of 100% (or \$250,000) of the incentive for this benchmark will be assessed if the Contractor fails to obtain at least \$1.5 million from non-District sources to support and expand DCSEU programs.

C.7.5 Tracking Goals

The Contractor shall track the following data points for the peak demand and largest energy users tracking goals:

C.7.5.1 Reduce Growth of Peak Demand in the District of Columbia

The DCSEU is not required to undertake any programs aimed exclusively at reducing the growth of peak demand. However, the DCSEU is required to estimate, using protocols developed by PJM for evaluating the capacity effects of energy efficiency projects for Base Residual Auction, the impact on peak demand of its energy efficiency programs.

C.7.5.2 Reduce the Growth of Energy Demand of the District of Columbia's Largest Energy Users

The Contractor is not required to undertake any programs aimed exclusively at reducing the energy use of the largest energy users; however, the Contractor must track and report progress in this area by reporting on projects with large energy users in the District. Large energy users are defined as organizations, individuals or government entities that own a building with more than 200,000 square feet of gross floor area or own a campus of buildings in a contiguous geographic area that share building systems or at least one common energy meter without separate metering or sub-metering, such that their energy use cannot be individually tracked. Gross floor area includes infrastructure that contain heated and unheated space that is connected to a qualifying building. Energy efficiency or renewable energy measures must be installed in a qualified building or an infrastructure connected to a qualified building in order to qualify as a large energy user project.

The Contractor shall develop a tracking system to capture the DCSEU's engagement with large energy users. The tracking system shall be developed within 30 days of contract award, and must be capable of tracking the following supplemental information in order for energy efficiency projects undertaken by large energy users to be considered to be significant and attributable to the DCSEU's contributions:

- C.7.5.2.1** Number of opportunities with large energy users;
- C.7.5.2.2** Number of projects completed;
- C.7.5.2.3** The scope of each project and the dollar amount provided by the DCSEU, as documented in a properly executed incentive agreement or memorandum of understanding prior to the completion date of the project;
- C.7.5.2.4** The estimated annual amount of natural gas and electricity savings for each project;
- C.7.5.2.5** Total project cost;
- C.7.5.2.6** Project notes, including summary of energy management history, such as energy service companies ("ESCO") or performance contracting used by the owner; and
- C.7.5.2.7** Identification of Federal and District governments owned buildings completed.

C.7.6 Societal Benefit Test

The CAEA requires the DCSEU energy efficiency program portfolio, as a whole, to pass the societal benefit test for the base period of the contract. To meet this requirement, the Contractor shall track the costs and benefits associated with each energy efficiency program. The societal benefit test ratio is calculated by dividing the present value of total benefits by the present value of total costs, using a social discount rate to determine both totals. For the DCSEU, the social discount rate will be set at either: 1) ten-year treasury rate ("social discount ten year rate") as posted in the *Wall Street Journal* on the first business day in October of the year being evaluated if the social discount ten year rate is more than 4 per cent; or 2) if the social discount ten year rate is less than or equal to four per cent, the social discount ten year rate plus two per cent. A societal benefit-to-cost ratio of 1.0 and greater is considered cost effective. Difficult to calculate benefits are expressed in percentage (%) adds until greater refinement in calculating those benefits is achieved. Below are the factors in the DCSEU's societal benefits test for this Contract. DOEE and the Contractor may mutually agree to modify benefits or costs or propose additional benefits or costs.

C.7.6.1 Societal Test Benefits

- C.7.6.1.1** Value of the electrical and natural gas energy and capacity savings, also referred to as avoided costs. Avoided cost calculation should be based on long-term forecasts of wholesale market prices for electricity and natural gas.
 - C.7.6.1.2** For electricity, transmission and distribution benefits including line losses and avoided transmission and distribution construction.
 - C.7.6.1.3** Natural gas capacity and local delivery benefits (if too costly to calculate, 5% adder to natural gas savings can be used instead).
 - C.7.6.1.4** Energy market price effects (reduction in wholesale price of electricity and natural gas due to reduced energy demand in wholesale energy markets).
 - C.7.6.1.5** Adder equal to 5% of the benefits identified in sections C.7.6.1.1, C.7.6.1.2, C.7.6.1.3, and C.7.6.1.4, recognizing the benefits of energy efficiency and conservation in addressing risk and uncertainty.
 - C.7.6.1.6** Non-energy benefits (NEBs) including comfort, noise reduction, aesthetics, health and safety, ease of selling/leasing home or building, improved occupant productivity, reduced work absences due to reduced illnesses, ability to stay in home/avoided moves, and macroeconomic benefits. Adder equal to 5% of the benefits identified in sections C.7.6.1.1, C.7.6.1.2, C.7.6.1.3, and C.7.6.1.4, may be used as alternative if calculating NEBs is excessively expensive.
 - C.7.6.1.7** Benefits from reducing environmental externalities including air and water pollution, greenhouse gas emissions, and cooling water use. To account for these benefits, a 5% adder may be applied to the benefits identified in sections C.7.6.1.1, C.7.6.1.2, C.7.6.1.3, and C.7.6.1.4 if calculating environmental externalities is excessively expensive.
- C.7.6.2 Societal Test Costs**
- C.7.6.2.1** DCSEU incentives paid to the participant.
 - C.7.6.2.2** Program and administrative costs.
 - C.7.6.2.3** Monitoring, evaluation, and other non-incentive costs.
 - C.7.6.2.4** Participant out-of-pocket costs after non-DCSEU incentives (e.g., federal tax incentives) including the fair market value of all equipment, delivery and installation expenses, and operation and maintenance expenses. These costs can be converted to an annuity using either: 1) 10-year treasury rate (“annuity ten year rate”) posted in the *Wall Street Journal*

on the first business day in October of the year the equipment is purchased if the annuity ten year rate is more than 4 per cent; or 2) the annuity ten year rate plus 2 per cent if the annuity ten year rate is less than or equal to 4 per cent.

SECTION D: PACKAGING AND MARKING

Not Applicable

SECTION E: INSPECTION AND ACCEPTANCE

- E.1** Definition. “Services” as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- E.2** The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under the DCSEU contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to DOEE during contract performance and for as long afterwards as the contract requires.
- E.3** DOEE has the right to inspect and test all services called for by the contract at reasonable times and places during the term of the contract. DOEE will perform inspections and tests in a manner that will not unduly delay the work.
- E.4** If DOEE performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- E.5** If any of the services do not conform to the contract requirements, DOEE may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, DOEE may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed.
- E.6** If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity with contract requirements, DOEE may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by DOEE that is directly related to the performance of such services, or (2) terminate the contract for default.

SECTION F: PERIOD OF PERFORMANCE AND DELIVERABLES

F.1 Term of Contract

The term of the contract shall be a five-year base period from October 1, 2016 through September 30, 2021, and renewable for a one (1) option period of five (5) additional years.

F.2 Period of Performance

The period of performance shall occur in five phases for the five year base period of the contract. Except for the green jobs and low-income benchmarks, which will be evaluated annually, the Contractor's performance shall be evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the base period. Therefore, in the final evaluation after Year 5, the Contractor's cumulative performance over the 5 years of the base period will be evaluated.

If the option for a five-year extension of the contract is exercised, evaluation during the option period will also occur in five phases. Except for the green jobs and low-income benchmarks, which will be evaluated annually, the Contractor's performance shall be evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the option period. Therefore, in the final evaluation after Year 10 of the contract, the Contractor's cumulative performance over the 5 years of the option period will be evaluated.

F.3 Deliverables

The Contractor shall perform the activities required to successfully complete DOEE's requirements and submit each deliverable to the Contract Administrator identified in section G.5 in accordance with the following:

RFP No. DOEE-2016-R-0002
 For District of Columbia Sustainable Energy Utility Contractor

Item No.	Deliverable	Due Date
0001	Monthly, Quarterly, and Annual Reports (Section C.5.3)	30 days from beginning of contract term to the end of contract period
0002	Strategic Plan (Section C.5.2.1)	First draft: 60 days from commencing of contract; Final: 90 days from commencing of contract
0003	Protocols to track and resolve complaints about the Contractor, subcontractors, trade allies, and Implementation Contractors (Section C.5.1.4)	90 days from date of award
0004	Resource guide for potential Implementation Contractors (“ICs”) and DCSEU employees that will list workforce training requirements, educational opportunities, and related information; this documentation will assist potential DCSEU employees and ICs in responding to DCSEU vacancies and RFPs (Sections C.5.2.5 through C.5.2.6)	90 days from date of award
0005	Data collection protocols that facilitate the evaluation, measurement, and verification (“EM&V”) of the energy saved by the DCSEU’s programs (Section C.6.2)	90 days from date of award
0006	Annual Plan that analyzes data and information from the Annual Report, EM&V reports, and strategic planning analyses to review and assess the impacts and effectiveness of DCSEU programs. The Annual Plan makes any recommendations for improvements and modifications to programs and summarizes the DCSEU's program design strategies, service offerings, emerging markets initiatives, and other planned implementation activities, including competitive solicitations, for the following year (Section C.5.2.2)	90 days prior to the end of a fiscal year.
0007	Technical Reference Manual (“TRM”) that contains current documentation on all measure and program assumptions (Section C.5.5)	Continuous
0008	Automated Green Job Tracking System (Section C.7.4.4.1.2)	30 days from date of award
0009	Large Energy Users Tracking System (Section C.7.5.2)	30 days from date of award

SECTION G: CONTRACT ADMINISTRATION

G.1 Invoice Submittal

The Contractor shall submit proper invoices on a monthly basis or as otherwise specified. Invoices shall be prepared in duplicate and submitted to the agency Chief Financial Officer (CFO) with concurrent copies to the Contract Administrator (CA) specified in section G.5. The address of the CFO is:

Office of the Chief Financial Officer
Government Services Cluster
Accts Pay Div.
2000 14th Street, NW, 6th Floor,
Washington, DC 20009

The Contractor shall also send a copy of the invoices to:

Dr. Taresa Lawrence
Department of Energy and Environment
1200 First Street, NE, 5th Floor
Washington, DC, 20002
Phone: 202-535-2600

To constitute a proper invoice, the Contractor shall submit the following information on the invoice:

- G.1.1** Contractor's name, federal tax ID and invoice date (date invoices as of the date of mailing or transmittal);
- G.1.2** Contract number and invoice number;
- G.1.3** Description, price, quantity and the date(s) that the supplies or services were delivered or performed;
- G.1.4** Other supporting documentation or information, as required by the Contracting Officer or Contract Administrator;
- G.1.5** Name, title, telephone number and complete mailing address of the responsible official to whom payment is to be sent;
- G.1.6** Name, title, phone number of person preparing the invoice;
- G.1.7** Name, title, phone number and mailing address of person (if different from the person identified in G.1.6 above) to be notified in the event of a defective invoice; and
- G.1.8** Authorized signature.

G.2 Invoice Payment

The District will make payments to the Contractor, upon the submission of proper invoices, and supporting documentation, at the prices stipulated in the DCSEU contract, for supplies delivered and accepted or services performed, accepted, and paid for by the Contractor, less any discounts, allowances or adjustments provided for in the DCSEU contract. The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor.

If the Contractor is a for-profit entity, only costs determined in writing to be reimbursable by the Contracting Officer, in accordance with the cost principles set forth in rules issued pursuant to the Procurement Practices Reform Act of 2010, Title 27 DCMR Chapter 33, Contract Cost Principles, shall be reimbursable. The Contractor's actual costs incurred to perform the Statement of Work shall be reasonable and appropriate. If the Contractor is a non-profit organization, DOEE and the Contractor agree to use the guidelines established by the Federal Government for Federal cost reimbursable grants as the basis for determining whether or not a particular direct or indirect cost item incurred under the DCSEU contract is reasonable and appropriate. Such Federal guidelines are contained in OMB Circular A-122, dated May 10, 2004.

The Contractor shall invoice monthly based upon the following invoicing and payment instructions for individual CLINs:

G.2.1 DCSEU Statement of Work (SOW) Requirements

The Contractor shall invoice DOEE for work completed under the SOW in accordance with CLINs 1001, 2001, 3001, 4001, 5001; not including CLINs 1002- 2002, 3002, 4002, 5002 and 1003, 2003, 3003, 4003, and 5003. Each invoice shall include costs incurred since the prior invoice. Compensation for General and Administrative Costs identified in Section L.1.2.1, shall not exceed 20% annually of the Cost Reimbursement Ceiling, as defined in Section B.7, or 20% of the reimbursable costs invoiced, whichever is less, unless Contractor is granted prior written approval from DOEE to exceed this limit.

G.2.2 EM&V Activities

Subcontractor EM&V costs specified in CLINs 1002, 2002, 3002, 4002, and 5002 shall be invoiced monthly. Prime Contractor EM&V costs shall be reimbursed pursuant to Section C.7.1.1.

G.2.3 Performance Incentives

The Contractor may invoice the amounts of performance incentives specified in CLINs 1003, 2003, 3003, 4003 and 5003, awarded annually or otherwise by DOEE pursuant to Section C.7.4, C.7.4.1.2, C.7.4.2.2, C.7.4.3.2, C.7.4.4.2 and/or C.7.4.5.2.

G.2.4 Performance Incentive Penalties

If applicable, after each Contract year, DOEE will assess performance benchmark penalties as prescribed in Sections C.7.4, C.7.4.3.3, and/or C.7.4.4.3. If applicable, after Year 5 of the base period, DOEE will assess performance benchmark penalties as prescribed in Sections C.7.4, C.7.4.1.3, C.7.4.2.3, and/or C.7.4.5.3. As prescribed in Section C.7.4, DOEE may set off amounts of performance benchmark penalties against earned performance incentives for any benchmark.

G.3 Cost Reimbursement Ceiling

G.3.1 Cost reimbursement ceiling for this contract is set forth in Sections B.3 and B.7 (for CLINs 1001, 2001, 3001, 4001 and 5001).

G.3.2 The costs for performing the cost-reimbursable portions of this contract shall not exceed the cost reimbursement ceilings specified in Sections B.3 and B.7 for each year of this five-year Contract.

G.3.3 The Contractor agrees to use its best efforts to perform the work specified in this contract and to meet all obligations under this contract within the cost reimbursement ceilings.

G.3.4 The Contractor must notify the CO, in writing, whenever it has reason to believe that the total cost for the performance of the cost-reimbursable portions this contract will be either greater or substantially less than the cost reimbursement ceiling.

G.3.5 As part of the notification, the Contractor must provide the CO a revised estimate of the total cost of performing this contract.

G.3.6 The District is not obligated to reimburse the Contractor for costs incurred in excess of the cost reimbursement ceilings specified in Sections B.3 and B.7, and the Contractor is not obligated to continue performance under this contract (including actions under the Termination clauses of this contract), or otherwise incur costs in excess of the cost reimbursement ceiling specified in Sections B.3 and B.7, until the CO notifies the Contractor, in writing, that the estimated cost has been increased and provides revised cost reimbursement ceiling for performing this contract.

G.3.7 No notice, communication, or representation in any form from any person other than the CO shall change the cost reimbursement ceiling. In the absence of the specified notice, the District is not obligated to reimburse the Contractor for any costs in excess of the costs reimbursement ceiling, whether such costs were incurred during the course of contract performance or as a result of termination.

G.3.8 If any cost reimbursement ceiling specified in Sections B.3 and B.7 is increased, any costs the Contractor incurs before the increase that are in excess of the previous cost reimbursement ceiling shall be allowable to the same extent as if incurred afterward,

unless the CO issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

G.3.9 A change order shall not be considered an authorization to exceed the applicable cost reimbursement ceilings specified in Sections B.3 and B.7, unless the change order specifically increases the cost reimbursement ceiling.

G.3.10 Only costs determined in writing to be reimbursable in accordance with the cost principles set forth in rules issued pursuant to the Procurement Practices Reform Act of 2010, Title 27 DCMR Chapter 33, Contract Cost Principles, shall be reimbursable to a for-profit Contractor. If the Contractor is a non-profit organization, allowable costs for its performance will be determined as stated in Section G.2

G.4 Contracting Officer (CO)

Contracts will be entered into and signed on behalf of the District only by contracting officers. The contact information for the Contracting Officer is:

Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST
Director of Contracts, Procurement and Grants
Executive Office of the Mayor
Office of the Deputy Mayor for Planning & Economic Development
1015 Half Street SE, Suite 675
Washington, DC 20003
202.724.6190 (office phone)
jacque.mcdonald@dc.gov

G.4.1 Authorized Changes by the Contracting Officer

The CO is the only person authorized to approve changes in any of the requirements of the DCSEU contract. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of the DCSEU contract, unless issued in writing and signed by the CO. In the event the Contractor effects any change at the instruction or request of any person other than the CO, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

G.5 Contract Administrator

G.5.1 The Contract Administrator (CA) is responsible for general administration of the contract and advising the CO as to the Contractor's compliance or noncompliance with the contract. The CA has the responsibility of ensuring the work conforms to the requirements of the contract and such other responsibilities and authorities as may be specified in the contract. These include:

G.5.1.1 Keeping the CO fully informed of any technical or contractual difficulties

encountered during the performance period and advising the CO of any potential problem areas under the contract;

G.5.1.2 Reviewing invoices for completed work and recommending approval by the CO if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;

G.5.1.3 Reviewing and approving invoices for deliverables to ensure receipt of goods and services. This includes the timely processing of invoices and vouchers in accordance with the District's payment provisions; and

G.5.1.4 Maintaining a file that includes all contract correspondence, modifications, records of inspections (site, data, equipment) and invoices or vouchers.

G.5.2 The name, address and telephone number of the CA are:

Dr. Taresa Lawrence
Department of Energy and Environment
1200 First Street, NE, 5th Floor
Washington, DC 20002
Email: taresa.lawrence@dc.gov
(202) 671-3313.

G.5.3 The CA shall NOT have the authority to:

1. Award, agree to, or sign any contract, delivery order or task order. Only the CO shall make contractual agreements, commitments or modifications;
2. Grant deviations from or waive any of the terms and conditions of the contract;
3. Increase the dollar limit of the contract or authorize work beyond the dollar limit of the contract,
4. Authorize the expenditure of funds by the Contractor;
5. Change the period of performance; or
6. Authorize the use of District property, except as specified under the contract.

G.5.4 The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the CO; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

G.6 Quick Payment Clause

G.6.1 The District will pay amounts due to the Contractor in accordance with the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.*

G.6.2 Quick Payment Clause Flow down Requirement for Subcontracts

The Contractor shall include in each subcontract a provision that incorporates the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d). The Contractor shall require its subcontractors to include in their contracts with any lower-tier subcontractors or suppliers the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d)

SECTION H: SPECIAL CONTRACT REQUIREMENTS

H.1 Subcontracting Requirements

H.1.1 Mandatory Subcontracting Requirements

- H.1.1.1** Unless the Director of the Department of Small and Local Business Development (DSLBD) has approved a waiver in writing, for all contracts in excess of \$250,000, at least 35% of the dollar volume of the contract shall be subcontracted to qualified small business enterprises (SBEs).
- H.1.1.2** If there are insufficient SBEs to completely fulfill the requirement of paragraph H.1.1.1, then the subcontracting may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises (CBEs); provided, however, that all reasonable efforts shall be made to ensure that SBEs are significant participants in the overall subcontracting work.
- H.1.1.3** A prime contractor that is certified by DSLBD as a small, local or disadvantaged business enterprise shall not be required to comply with the provisions of sections H.1.1.1 and H.1.1.2 of this clause.
- H.1.1.4** Except as provided in H.1.1.5 and H.1.1.7, a prime contractor that is a CBE and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-aside program, shall perform at least 35% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracting effort shall be with CBEs. A CBE prime contractor that performs less than 35% of the contracting effort shall be subject to enforcement actions under D.C. Official Code §2-218.63.
- H.1.1.5** A prime contractor that is a certified joint venture and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-aside program, shall perform at least 50% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracting effort shall be with CBEs. A certified joint venture prime contractor that performs less than 50% of the contracting effort shall be subject to enforcement actions under D.C. Official Code § 2-218.63.
- H.1.1.6** Each CBE utilized to meet these subcontracting requirements shall perform at least 35% of its contracting effort with its own organization and resources.
- H.1.1.7** A prime contractor that is a CBE and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-

aside program, shall perform at least 50% of the on-site work with its own organization and resources if the contract is \$1 million or less.

H.1.2 Subcontracting Plan

If the prime contractor is required by law to subcontract under this RFP, it must subcontract at least 35% of the dollar volume of this contract in accordance with the provisions of sections H.1.1 of this clause. The plan shall be submitted as part of the bid and may only be amended with the prior written approval of the CO and Director of DSLBD. Any reduction in the dollar volume of the subcontracted portion resulting from an amendment of the plan shall inure to the benefit of the District. Each subcontracting plan shall include the following:

- H.1.2.1** The name and address of each subcontractor;
- H.1.2.2** A current certification number of the small or certified business enterprise;
- H.1.2.3** The scope of work to be performed by each subcontractor; and
- H.1.2.4** The price that the prime contractor will pay each subcontractor.

H.1.3 Copies of Subcontracts

Within twenty-one (21) days of the date of award, the Contractor shall provide fully executed copies of all subcontracts identified in the subcontracting plan to the CO, CA, District of Columbia Auditor and the Director of DSLBD.

H.1.4 Subcontracting Plan Compliance Reporting.

- H.1.4.1** If the Contractor has a subcontracting plan required by law for this contract, the Contractor shall submit a quarterly report to the CO, CA, District of Columbia Auditor and the Director of DSLBD. The quarterly report shall include the following information for each subcontract identified in the subcontracting plan:

- H.1.4.1.1** The price that the prime contractor will pay each subcontractor under the subcontract;
- H.1.4.1.2** A description of the goods procured or the services subcontracted for;
- H.1.4.1.3** The amount paid by the prime contractor under the subcontract; and
- H.1.4.1.4** A copy of the fully executed subcontract, if it was not provided with an earlier quarterly report.

- H.1.4.2** If the fully executed subcontract is not provided with the quarterly report, the prime contractor will not receive credit toward its subcontracting requirements for that subcontract.

H.1.5 Annual Meetings

Upon at least 30-days written notice provided by DSLBD, the Contractor shall meet annually with the CO, CA, District of Columbia Auditor and the Director of DSLBD to provide an update on its subcontracting plan.

H.1.6 Notices

The Contractor shall provide written notice to the DSLBD and the District of Columbia Auditor upon commencement of the contract and when the contract is completed.

H.1.7 Enforcement and Penalties for Breach of Subcontracting Plan

- H.1.7.1** A Contractor shall be deemed to have breached a subcontracting plan required by law, if the contractor (i) fails to submit subcontracting plan monitoring or compliance reports or other required subcontracting information in a reasonably timely manner; (ii) submits a monitoring or compliance report or other required subcontracting information containing a materially false statement; or (iii) fails to meet its subcontracting requirements.
- H.1.7.2** A contractor that is found to have breached its subcontracting plan for utilization of CBEs in the performance of a contract shall be subject to the imposition of penalties, including monetary fines in accordance with D.C. Official Code § 2-218.63.
- H.1.7.3** If the CO determines the Contractor's failure to be a material breach of the contract, the CO shall have cause to terminate the contract for default under the default provisions in clause 8, Default, of the Standard Contract Provisions (SCP).

H.2 First Source Employment Agreement

The Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code §2-219.01 *et seq.* ("First Source Act"). This program provides District residents priority for new jobs created by municipal financing and development programs. Each employer in the program must sign an agreement ensuring that all job openings created by the DCSEU contract are listed with the District Department of Employment Services ("DOES") and that 51% of new hires are District residents.

H.3 Publicity

The Contractor shall at all times inform the Contract Administrator before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of the

contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this contract.

H.4 Freedom of Information Act

The District of Columbia Freedom of Information Act, at D.C. Official Code §2-532 (a-3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the CA who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the CA will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the CA within the timeframe designated by the CA. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code §2-532 and Chapter 4 of Title 1 of the D.C. Municipal Regulations.

H.5 Americans with Disabilities Act Of 1990 (ADA)

During the performance of this contract, the Contractor, and any of its subcontractors, shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. §12101 *et seq.*

H.6 Rehabilitation Act

During the performance of the contract, the Contractor and any of its subcontractors shall comply with Section 504 of the Rehabilitation Act of 1973, as amended. This Act prohibits discrimination against disabled people in federally funded programs and activities. See 29 U.S.C. § 794 *et seq.*

H.7 Key Personnel and Location

H.7.1 The key personnel required to be specified by the Offeror pursuant to Section L.1.1.2 are considered to be essential to the work being performed under the Contract. The Contractor shall not replace Key Contractor Personnel without the CO and DOEE's prior knowledge, which shall not be unreasonably withheld. If any Key Contractor Personnel becomes unavailable to perform services due to death, illness, discharge, or resignation, then the Contractor shall inform DOEE and promptly appoint a replacement acceptable to DOEE.

H.7.2 The Contractor is required to maintain a physical office within the District that is staffed by Key Contractor Personnel who are responsible for the day-to-day management of the DCSEU.

H.8 Way to Work Amendment Act

- H.8.1** The Contractor shall comply with Title I of The Way to Work Amendment Act of 2006, effective June 9, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 *et seq.*) (“**Living Wage Act of 2006**,” Attachment J.6), for contracts for services in the amount of One Hundred Thousand Dollars (\$100,000) or more in a twelve-month period.
- H.8.2** The Contractor shall pay its employees and subcontractors who perform services under the contract no less than the current living wage published on the Office of Contracting and Procurement (“**OCP**”) website at www.ocp.dc.gov.
- H.8.4** DOES may adjust the living wage annually and OCP will publish the current living wage rate on its website at www.ocp.dc.gov.
- H.8.5** The Contractor shall provide a copy of the Fact Sheet attached as Attachment J.13 to each employee and subcontractor who performs services under the contract. The Contractor shall also post the Notice attached as Attachment J.12 in a conspicuous place in its place of business. The Contractor shall include in any subcontract for Fifteen Thousand Dollars (\$15,000) or more a provision requiring the subcontractor to post the Notice in a conspicuous place in its place of business.

H.9 Equal Employment Opportunity

In accordance with the District of Columbia Administrative Issuance System, Mayor’s Order 85-85 dated June 10, 1985, the forms for completion of the Equal Employment Opportunity Information Report are incorporated herein as Section J.11. An award cannot be made to any Offeror or an entity that has not satisfied the equal employment requirements.

H.10 DEPARTMENT OF LABOR WAGE DETERMINATION

The Contractor shall be bound by the Wage Determination No. 2015-4281 Revision No. 2, dated December 29, 2015, issued by the U.S. Department of Labor in accordance with the Service Contract Act, 41 U.S.C. §351 *et seq.*, and incorporated herein as Section J.2. The Contractor shall be bound by the wage rates for the term of the contract subject to revision as stated herein and in accordance with Section 24 of the SCPs. If an option is exercised, the Contractor shall be bound by the applicable wage rates at the time of the option. If the option is exercised and the CO obtains a revised wage determination, the revised wage determination is applicable for the option periods and the Contractor may be entitled to an equitable adjustment.

H.11 Electric and Gas Program Expenditures

Expenditures on electricity-related programs over the term of the contract shall be no less than 75%, of the amount of the funds provided from the assessment on the electricity company. Annual expenditures on natural gas-related programs shall be no less than 75% of the amount of

the yearly funds provided from the assessment on the gas company.⁸ The Contractor shall provide a detailed breakdown of natural gas and electricity-related program expenditures as part of its reporting requirements in section C.5.3.

H.12 Reserve Funds

The Contractor is required to maintain a capital reserve or line of credit sufficient to cover approved invoices for an average month of expenses paid out to DCSEU ICs and subcontractors. This is required to ensure that ICs are paid within thirty days of them submitting invoices to the Contractor, rather than only upon receipt of reimbursement from DOEE. The District shall not make any separate allowance or payment for the cost of reserve funds. The Contractor shall include all of the costs of reserve funds in the contract price.

⁸ CAEA §202(h), (i), and (j), D.C. Code § 8-1774.02(h), (i) and (j) .

SECTION I: CONTRACT CLAUSES

I.1 APPLICABILITY OF STANDARD CONTRACT PROVISIONS

The Standard Contract Provisions for use with District of Columbia Government Supplies and Services Contracts dated March 2007 (“SCPs”) are incorporated as part of the contract except as provided in this clause I.1. The following SCP provisions are not applicable to this RFP and Contract, namely provisions 2 (Shipping Instructions); 4 (Quality); 5 (Inspection of Supplies); 6 (Inspection of Services); 21 (Health and Safety Standards); 22 (Appropriation of Funds); 26 (Multiyear Contract, duplicated at Section B.5); Paragraph (a)(2)(A) of SCP 27 (Termination for Certain Crimes and Violations).

To obtain a copy of the SCPs go to www.ocp.dc.gov, click on OCP Policies under the heading “Information”, then click on “Standard Contract Provisions – Supplies and Services Contracts” or follow this link:

<http://ocp.dc.gov/publication/standard-contract-provisions-march-2007>

I.2 DISPUTES (Interim Version, July 2011)

Delete Article 14, Disputes, of the General Provisions, of the Standard Contract Provisions for use with Specifications for District of Columbia Government Supplies and Services Contracts, Revised March 2007 and substitute this Article I.2, Disputes.

I.2.1 All disputes arising under or relating to this contract shall be resolved as provided herein.

I.2.2 Claims by a Contractor against the District:

Claim, as used in paragraph I.2.2 of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

I.2.2.1 All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the CO for a decision. The Contractor’s claim shall contain at least the following:

- I.2.2.1.1** A description of the claim and the amount in dispute;
- I.2.2.1.2** Data or other information in support of the claim;
- I.2.2.1.3** A brief description of the Contractor’s efforts to resolve the dispute prior to filing the claim; and
- I.2.2.1.4** The Contractor’s request for relief or other action by the CO.

I.2.2.2 The CO may meet with the Contractor in a further attempt to resolve the claim by agreement.

I.2.2.3 The CO shall issue a decision on any claim within 120 calendar days after receipt of the claim. Whenever possible, the CO shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.

I.2.2.4 The CO's written decision shall do the following:

I.2.2.4.1 Provide a description of the claim or dispute;

I.2.2.4.2 Refer to the pertinent contract terms;

I.2.2.4.3 State the factual areas of agreement and disagreement.

I.2.2.4.4 State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;

I.2.2.4.5 If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;

I.2.2.4.6 Indicate that the written document is the CO's final decision; and

I.2.2.4.7 Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.

I.2.2.5 Failure by the CO to issue a decision on a contract claim within 120 days of receipt of the claim will be deemed to be a denial of the claim, and will authorize the commencement of an appeal to the Contract Appeals Board as provided by D.C. Official Code § 2-360.04.

I.2.2.5.1 If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim.

I.2.2.5.2 Liability under Paragraph I.2.2.5.1 shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.

I.2.2.6 Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the CO.

I.2.3 Claims by the District against a Contractor:

I.2.3.1 Claim as used in paragraph I.2.3 of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

I.2.3.2 The CO shall decide all claims by the District against a contractor arising under or relating to a contract.

I.2.3.2.1 The CO shall send written notice of the claim to the Contractor.
The CO's written decision shall do the following:

I.2.3.2.1.1 Provide a description of the claim or dispute;

I.2.3.2.1.2 Refer to the pertinent contract terms;

I.2.3.2.1.3 State the factual areas of agreement and disagreement;

I.2.3.2.1.4 State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;

I.2.3.2.1.5 If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;

I.2.3.2.1.6 Indicate that the written document is the CO's final decision;
and

I.2.3.2.1.7 Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.

I.2.3.3 The CO shall support the decision by reasons and shall inform the Contractor of its rights as provided herein.

I.2.3.4 Before or after issuing the decision, the CO may meet with the Contractor to attempt to resolve the claim by agreement

I.2.3.5 The authority contained in this clause I.2.3 shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.

I.2.3.6 This clause shall not authorize the CO to settle, compromise, pay, or otherwise adjust any claim involving fraud.

I.2.4 Decisions of the CO shall be final and not subject to review unless the Contractor timely commences an administrative appeal for review of the decision, by filing a complaint with the Contract Appeals Board, as authorized by D.C. Official Code § 2-360.04.

I.2.5 Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the CO.

I.3 Insurance

The Contractor shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to DOEE giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, DOEE. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A-VIII or higher.

The Contractor shall require all of its subcontractors to carry the same insurance required herein except for contracts under \$100,000. For subcontracts under \$100,000, the Contractor will require firms to carry \$1 million in Umbrella and Liability Insurance coverage.

The Contractor shall ensure that all policies provide that DOEE shall be given thirty (30) days prior written notice in the event the stated limit in the declarations page of the policy is reduced via endorsement or the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide DOEE with ten (10) days prior written notice in the event of non-payment of premium. The Contractor shall maintain this insurance for five (5) years following the District's final acceptance of the work performed under this contract.

I.3.1 Commercial General Liability Insurance

The Contractor shall provide evidence satisfactory to DOEE with respect to the services performed that it carries \$2,000,000 per occurrence limits; \$2,000,000 aggregate; bodily injury and property damage including, but not limited to: premises-operations; broad form property damage; products and completed operations; personal and advertising injury;

contractual liability and independent contractors. The policy coverage shall include the District of Columbia as an additional insured, shall be primary and non-contributory with any other insurance maintained by the District of Columbia, and shall contain a waiver of subrogation. The Contractor shall maintain completed operations coverage for five (5) years following final acceptance of the work by DOEE, performed under this contract.

I.3.2 Automobile Liability Insurance

The Contractor shall provide automobile liability insurance to cover all owned, hired or non-owned motor vehicles used in conjunction with the performance of this contract. The policy shall provide a \$1,000,000 per occurrence combined single limit for bodily injury and property damage.

I.3.3 Workers' Compensation Insurance

The Contractor shall provide Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.

I.3.4 Employer's Liability Insurance

The Contractor shall provide employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for worker's compensation; and \$500,000 for worker's compensation insurance.

I.3.5 Umbrella or Excess Liability Insurance

The Contractor shall provide umbrella or excess liability (which is excess over employer's liability, general liability, and automobile liability) insurance as follows: \$3,000,000 per occurrence, including the District of Columbia as additional insured. The Contractor shall require all subcontractors to carry the same insurance, unless the contract is under \$100,000, in which case the Contractor will require firms to carry \$1,000,000 in Umbrella and Liability Insurance coverage.

I.3.6 Duration

The Contractor shall carry all required insurance until all contract work is accepted by the District, and shall carry the required General Liability; any required Professional Liability; and any required Employment Practices Liability insurance for five (5) years following final acceptance of the work performed under this contract.

I.3.7 Liability

These are the required minimum insurance requirements established by the District of Columbia. However, the required minimum insurance requirements provided above will not in any way limit the Contractor's liability under this contract.

I.3.8 Contractor's Property

The Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.

I.3.9 Measure of Payment

The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.

I.3.10 Notification

The Contractor shall immediately provide the Contracting Officer with written notice in the event that its insurance coverage has or will be substantially changed, canceled or not renewed, and provide an updated certificate of insurance to the contracting officer.

I.3.11 Certificates of Insurance

The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Evidence of insurance shall be submitted to: Dr. Taresa Lawrence, Department of Energy and Environment, 1200 First Street, NE, 5th Floor, Washington, DC 20002

I.3.12 Disclosure of Information

The Contractor agrees that the District may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.

I.4 Confidentiality of Information

Subject to the requirements of Section C.5.1.5.3, the Contractor shall keep all information relating to any employee or customer of the District in absolute confidence and shall not use the information in connection with any other matters; nor shall it disclose any such information to any other person, firm or corporation, in accordance with the District and federal laws governing the confidentiality of records. The exception shall be to allow the Contractor to share such data with subcontractors and other contracted partners who require this information to conduct the DC SEU's Scope of Work, and who have signed confidentiality agreements that protect this information.

I.5 Time

Time, if stated in a number of days, will include Saturdays, Sundays, and holidays, unless

otherwise stated herein.

I.6 Independence

The Contractor shall be prepared to operate the DCSEU in an independent capacity and not as officers or employees of the District of Columbia. The Contractor shall be prepared to indemnify, defend, and hold harmless the District and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's, IC's, subcontractor's or vendor's acts and/or omissions in the performance of its duties.

I.7 Rights in Data

- I.7.1** "Data," as used herein, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.
- I.7.2** The term "Technical Data," as used herein, means recorded information, regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work, or be usable or used to define a design or process or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents or computer printouts. Examples of technical data include research and engineering data, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information, and computer software documentation. Technical data does not include computer software or financial, administrative, cost and pricing, and management data or other information incidental to contract administration.
- I.7.3** The term "Computer Software", as used herein means computer programs and computer databases. "Computer Programs", as used herein means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations. "Computer Programs" include operating systems, assemblers, compilers, interpreters, data management systems, utility programs, sort merge programs, and automated data processing equipment maintenance diagnostic programs, as well as applications programs such as payroll, inventory control and engineering analysis programs. Computer programs may be either machine-dependent or machine-independent, and may be general purpose in nature or designed to satisfy the requirements of a particular user.
- I.7.4** The term "computer databases", as used herein, means a collection of data in a form capable of being processed and operated on by a computer.

- I.7.5** All data first produced in the performance of this Contract shall be the sole property of the District. The Contractor hereby acknowledges that all data, including, without limitation, computer program codes, produced by Contractor for the District under this Contract, are works made for hire and are the sole property of the District; but, to the extent any such data may not, by operation of law, be works made for hire, Contractor hereby transfers and assigns to the District the ownership of copyright in such works, whether published or unpublished. The Contractor agrees to give the District all assistance reasonably necessary to perfect such rights including, but not limited to, the works and supporting documentation and the execution of any instrument required to register copyrights. The Contractor agrees not to assert any rights in common law or in equity in such data. The Contractor shall not publish or reproduce such data in whole or in part or in any manner or form, or authorize others to do so, without written consent of the District until such time as the District may have released such data to the public.
- I.7.6** The District will have restricted rights in data, including computer software and all accompanying documentation, manuals and instructional materials, listed or described in a license or agreement made a part of this contract, which the parties have agreed will be furnished with restricted rights, provided however, notwithstanding any contrary provision in any such license or agreement, such restricted rights shall include, as a minimum the right to:
- I.7.6.1** Use the computer software and all accompanying documentation and manuals or instructional materials with the computer for which or with which it was acquired, including use at any District installation to which the computer may be transferred by the District;
- I.7.6.2** Use the computer software and all accompanying documentation and manuals or instructional materials with a backup computer if the computer for which or with which it was acquired is inoperative;
- I.7.6.3** Copy computer programs for safekeeping (archives) or backup purposes; and modify the computer software and all accompanying documentation and manuals or instructional materials, or combine it with other software, subject to the provision that the modified portions shall remain subject to these restrictions.
- I.7.7** The restricted rights set forth in section I.7.6 are of no effect unless (i) the data are marked by the Contractor with the following legend:

RESTRICTED RIGHTS LEGEND

Use, duplication, or disclosure is subject to restrictions stated in Contract No.____ with (Contractor's Name); and (ii) If the data is computer software, the related computer software documentation includes a prominent statement of the restrictions applicable to

the computer software. The Contractor may not place any legend on the computer software indicating restrictions on the District's rights in such software unless the restrictions are set forth in a license or agreement made a part of the contract prior to the delivery date of the software. Failure of the Contractor to apply a restricted rights legend to such computer software shall relieve the District of liability with respect to such unmarked software.

- I.7.8** In addition to the rights granted in Section I.7.6 above, the Contractor hereby grants to the District a nonexclusive, paid-up license throughout the world, of the same scope as restricted rights set forth in Section I.7.6 above, under any copyright owned by the Contractor, in any work of authorship prepared for or acquired by the District under this contract. Unless written approval of the Contracting Officer is obtained, the Contractor shall not include in technical data or computer software prepared for or acquired by the District under this contract any works of authorship in which copyright is not owned by the Contractor without acquiring for the District any rights necessary to perfect a copyright license of the scope specified in the first sentence of this paragraph.
- I.7.9** Whenever any data, including computer software, are to be obtained from a subcontractor under this contract, the Contractor shall use this clause, I.7, Rights in Data, in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District's or the Contractor's rights in that subcontractor data or computer software which is required for the District.
- I.7.10** For all computer software furnished to the District with the rights specified in Section I.7.5, the Contractor shall furnish to the District, a copy of the source code with such rights of the scope specified in Section I.7.5. For all computer software furnished to the District with the restricted rights specified in Section I.7.6, the District, if the Contractor, either directly or through a successor or affiliate shall cease to provide the maintenance or warranty services provided the District under this contract or any paid-up maintenance agreement, or if Contractor should be declared bankrupt or insolvent by a court of competent jurisdiction, shall have the right to obtain, for its own and sole use only, a single copy of the then current version of the source code supplied under this contract, and a single copy of the documentation associated therewith, upon payment to the person in control of the source code the reasonable cost of making each copy.
- I.7.11** Notwithstanding any additional indemnification provisions contained in the contract, the Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this contract, or (ii) based upon any data furnished under this contract, or based upon libelous or other unlawful matter contained in such data.

I.7.12 Nothing contained in this clause shall imply a license to the District under any patent, or be construed as affecting the scope of any license or other right otherwise granted to the District under any patent.

I.7.13 Paragraphs I.7.6, I.7.7, I.7.8, I.7.11 and I.7.12 above are not applicable to material furnished to the Contractor by the District and incorporated in the work furnished under contract, provided that such incorporated material is identified by the Contractor at the time of delivery of such work.

I.8 Proprietary/Sensitive Materials and Information

Any logos, trademarks, databases, copyrighted material or material eligible for copyright physical equipment, computer software purchased or developed with SETF funds, surveys, survey results, program designs, and any DCSEU work product determined by DOEE to be necessary to the success of DCSEU programs will be the property of DOEE and used only with the permission of DOEE. DOEE shall have access to this data and materials during the term of the DCSEU Contract and the Contractor shall transfer such items to the winning Offeror of a future DCSEU contract RFP.

I.9 Other Contractors

The Contractor shall not commit or permit any act that will interfere with the performance of work by another District contractor or by any District employee.

I.10 Governing Law

This contract, and any disputes arising out of or related to this contract, shall be governed by, and construed in accordance with, the laws of the District of Columbia.

I.11 Continuity of Services

I.11.1 The Contractor recognizes that the services provided under this contract are vital to the District and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District or another contractor, at the District's option, may continue to provide these services. To that end, the Contractor agrees to:

I.11.1.1 Furnish phase-out, phase-in (transition) training; and

I.11.1.2 Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

I.11.2 The Contractor shall, upon the CO's written notice:

I.11.2.1 Furnish phase-in, phase-out services for up to 90 days after this contract expires and

I.11.2.2 Negotiate in good faith a plan with a successor to determine the nature and

extent of phase-in, phase-out services required. The plan shall specify a training program, a date for transferring responsibilities for each division of work described in the plan, and the personnel, by positions and numbers, and shall be subject to the CO's approval.

I.11.3 The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.

I.11.4 The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

I.11.5 Only in accordance with a modification issued by the Contracting Officer, the Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) specified in this RFP.

I.11.6 The transition to a new Contractor at the end of a winning bidder's contract term shall be performed in an organized and efficient manner with minimum disruption to DCSEU participants, ICs, and DCSEU programs and services. All bidders will be expected to describe, in detail, a transition process that maintains full access for DCSEU participants and ICs to DCSEU programs and services. This transition process shall also apply in the event of termination of a Contractor's contract for performance failure. The Contractor shall provide notice to DOEE at least six months prior to any intent to terminate the DCSEU contract. In the event of termination of the DCSEU contract for performance failure, DOEE will give the contractor six months' notice.

I.12 Cancellation Ceiling

In the event of cancellation of the contract because of non-appropriation for any subsequent fiscal years or any option years, there shall be a cancellation ceiling representing reasonable pre-production and other non-recurring costs, which would be applicable to the items or services being furnished and normally amortized over the life of the contract. The cancellation ceiling shall be subject to negotiation between DOEE and the Offeror.

I.13 Pre-Award Approval – Multi-Year Contracts

The award and enforceability of this contract is contingent upon approval of the Council of the District of Columbia. In accordance with D.C. Official Code §1-204.51(c), the Council of the District of Columbia must approve an award of any contract that has term extending beyond twelve (12) months.

I.14 Fair Criminal Record Screening:

I.14.1 The Contractor shall comply with the provisions of the Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152) (the “Act” as used in this section). This section applies to any employment, including employment on a temporary or contractual basis, where the physical location of the employment is in whole or substantial part within the District of Columbia.

I.14.2 Prior to making a conditional offer of employment, the Contractor shall not require an applicant for employment, or a person who has requested consideration for employment by the Contractor, to reveal or disclose an arrest or criminal accusation that is not then pending or did not result in a criminal conviction.

I.14.3 After making a conditional offer of employment, the Contractor may require an applicant to disclose or reveal a criminal conviction.

I.14.4 Contractor may only withdraw a conditional offer of employment, or take adverse action against an applicant, for a legitimate business reason as described in the Act.

I.14.5 This section and the provisions of the Act shall not apply:

- (a) Where a federal or District law or regulation requires the consideration of an applicant’s criminal history for the purposes of employment;
- (b) To a position designated by the employer as part of a federal or District government program or obligation that is designed to encourage the employment of those with criminal histories;
- (c) To any facility or employer that provides programs, services, or direct care to, children, youth, or vulnerable adults; or
- (d) To employers that employ less than 11 employees.

I.14.6 A person claiming to be aggrieved by a violation of the Act may file an administrative complaint with the District of Columbia Office of Human Rights, and the Commission on Human Rights may impose monetary penalties against the Contractor.

I.15 Order of Precedence

The contract awarded as a result of this RFP will contain the following clause:

ORDER OF PRECEDENCE

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The

following documents are incorporated into the contract by reference and made a part of the contract in the following order of precedence:

- (1) Contract document**
- (2) Standard Contract Provisions**
- (3) Contract attachments other than the Standard Contract Provisions**
- (4) RFP, as amended**
- (5) BAFOs (in order of most recent to earliest)**
- (6) Proposal**

SECTION J: ATTACHMENTS

The following list of attachments is incorporated into the solicitation by reference:

Attachment Number	Document
J.1	Government of the District of Columbia Standard Contract Provisions for Use with the Supplies and Services Contracts (March 2007). Applicable sections specified in Section I.1.
J.2	U.S. Department of Labor Wage Determination No. 2015-4281 Revision No. 2, dated December 29, 2015
J.3	Tax Certification Affidavit http://ocp.dc.gov/publication/tax-certificationaffidavit
J.4	Bidder/Offeror Certifications http://ocp.dc.gov/page/solicitation-attachments-0
J.5	Titles I and II of the Clean and Affordable Energy Act of 2008 are codified in D.C. Code § 8-1773.01, <i>et seq.</i>
J.6	Living Wage Amendment Act of 2014, http://dcclims1.dccouncil.us/images/00001/20140115095046.pdf
J.7	Department of Employment Services First Source Employment Agreement available at http://does.dc.gov/page/first-source-employment-program-
J.8	“Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005”, details available at http://dslbd.dc.gov/olbd/
J.9	Northeast Energy Efficiency Partnerships’ (“NEEP”) EM&V Forum, http://www.neep.org/initiatives/emv-forum
J.10	Energy Efficiency Financing Act of 2010 (B18-580) http://doee.dc.gov/sites/default/files/dc/sites/ddoe/publication/attachments/Amended%20Energy%20Efficiency%20Financing%20Act%20of%202010.pdf .
J.11	Equal Employment Opportunity Information Report http://does.dc.gov/page/office-equal-employment-opportunity
J.12	Way to Work Amendment Act of 2006 - Living Wage Notice, http://does.dc.gov/page/living-wage-act-2016-notice

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Attachment Number	Document
J.13	Way to Work Amendment Act of 2006 – Fact Sheet http://ocp.dc.gov/sites/default/files/dc/sites/ocp/publication/attachments/LIVING%20WAGE%20ACT%20FACT%20SHEET2%202016.pdf

SECTION K: NOT USED

SECTION L: INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.1 RESPONSE FORMAT AND PROPOSAL REQUIREMENTS

Offerors are required to present their proposals in accordance with this section. Proposals should be prepared simply and economically to provide a concise description of the Offeror's approach and capabilities for satisfying the required services outlined in this RFP. Offerors should address any and all anticipated difficulties and/or problem areas along with potential approaches to their resolution. Offerors should specifically identify and discuss innovative solutions to the required services.

L.1.1 Technical Proposal – Organizational and Management Capability

Offerors are required to demonstrate the capability of their company/organization to perform the services described in this RFP and to meet or exceed performance requirements. Two or more companies/organizations may team up on one bid; however one organization must be the prime applicant, as discussed in Section L.2.8.

L.1.1.1 Offeror Qualifications and Experience

Offerors shall describe their firm and/or team's experience and capabilities in program design, market research, managing multiple implementation contracts, planning and administering energy programs and services, delivering and implementing energy programs and services, establishing data collection protocols, conducting data analysis, maintaining a TRM and verifying savings, bidding energy efficiency into capacity markets, leveraging green financing programs, and designing and operating innovative energy efficiency programs. Offerors shall identify the District-based entities on the bidding team, and those that are part of the CBE subcontracting plan.

L.1.1.2 Offeror Qualifications and Experience of Key Contractor Personnel

Offerors shall identify Key Contractor Personnel to be assigned to the DCSEU contract, describe their primary responsibilities in regard to the Statement of Work, and include résumés that describe the individuals' experience and qualifications related to the functions they are expected to perform with the Contractor.

L.1.1.3 Client References

Offerors shall provide at least five references from previous or current clients. References should include specific services provided, company name and location, contact name, contact title, telephone number and, where available, email address. In the event the Offeror is forming a new organization to bid on this proposal, the offeror should provide relevant references for Key Contractor Personnel.

L.1.1.4 Financial Information Requirements

Offerors shall demonstrate that they have, or have the ability to obtain, the financial resources to perform the proposed work and must provide three (3) years of financial statements for their organization and any significant subcontractors, which should include a profit and loss statement, a cash flow statement, and a balance sheet (e.g., SEC form 10-K is acceptable). A non-profit entity shall provide adequate information, comparable to the information required above, that allows an assessment of financial status and capability. In the event an Offeror is forming a new organization to bid on this proposal, the Offeror should provide comparable documents from investors, partners, and/or principals.

L.1.1.5 Management Structure

In this section, Offerors shall describe the business structure under which they typically operate (i.e., for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by an Offeror for operation of the DCSEU, that structure should be described fully and clearly. The business structure shall also be summarized in a detailed organization chart.

L.1.1.6 Certified Business Enterprises and First Source Agreement Program

Offerors shall identify CBEs that are part of the bidding team, detail experience with CBEs or similar programs, and detail the bidding team's experience with and understanding of the District's First Source Agreement Program.

L.1.1.7 Key Personnel

L.1.1.7.1 The District considers personnel responsible for the overall management of the DCSEU to be key personnel for this contract, such as, without limitation, Managing Director/Executive Director, Director of Operations, Finance Manager, IT/MIS Manager, and Marketing/ Outreach and Education Manager.

L.1.1.7.2 The Offeror shall set forth in its proposal the names and reporting relationships of the key personnel the Offeror will use to perform the work under the proposed contract. Their resumes shall be included. The hours that each will devote to the contract shall be provided in total and broken down by task.

L.1.2 Cost Proposal – Proposed Budget

Offerors shall propose a budget for the first five year base period of the DCSEU contract in accordance with the annual funding allocations specified in Sections B.3 and B.7. Offerors should assume that statutory funding level of \$20 million is available for each year of the base period. Offerors should further assume that the costs related to independent EM&V subcontractor costs (\$1.6M of annual funding allocation) and funds for performance

incentives need to be subtracted from the authorized funding levels. As shown in Tables B.1 and B.2 above, the full amount that the Contractor is eligible to receive in performance incentives for a particular fiscal year will be withheld by DOEE at the beginning of that fiscal year. Therefore, Offerors should propose their budgets based on guidelines provided in Sections B.3 and B.7 on the annual Cost Reimbursement Ceiling. Offerors shall include the following subcategories in their proposed budget:

L.1.2.1 General Administration

Offerors shall propose a general administration budget for the five year base period of the DCSEU contract. The purpose of this subsection is to provide a basis for DOEE to evaluate Offerors' budgeting capabilities and to clearly identify the portion of the DCSEU budget allocated to General Administration.

Offerors shall provide one or more tables identifying Contractor positions by labor category for the DCSEU contract. The table(s) must include, at a minimum, the following: 1) the labor category(s) to be utilized for the DCSEU contract; 2) a description of the skills and experience per category; and 3) the fixed loaded hourly rate(s) proposed, and any other proposed associated costs, for calculating the total proposed cost for this effort. Subcontractor rate information shall also be included, if applicable. Offerors shall also list by cost category all other direct costs necessary to perform the Statement of Work as well as any and all discounts.

General and Administrative Costs shall include, but not be limited to, the following: overhead (e.g. rent, utilities); budgeting and financial management; contract management; and data collection and reporting. Administrative costs associated with serving an individual market segment or program shall be included in the budget allocation for that market segment or program and should not be considered General and Administrative Costs for the purposes of this paragraph. Proposed General and Administrative Costs shall not exceed 20% of the Cost Reimbursement Ceiling and General Administrative Costs in excess of 20% of the Cost Reimbursement Ceiling shall not be invoiced or payable for any given year of the contract.

L.1.2.2 IT Development and Maintenance

Although IT might normally be included with other General Administration costs, offerors shall separate IT costs in their budget proposal. IT expenses should be divided, at a minimum, into hardware, software, and system management costs and applicable warranties for hardware and software.

L.1.2.3 Management Information System

Offerors shall propose a budget for the first five year term of the DCSEU Contract to develop an MIS to manage data including, but not be limited to, tracking data on participants, program services, ICs, general program operation, and financial and management data.

L.1.2.4 Strategic Planning Analysis and Program Design

Offerors shall propose a budget for the five years of the contract base period for the activities described in C.5.2.1, with more detail provided for the first two years. Offerors should identify costs they consider first year or start-up costs. Offerors shall also propose how they expect to distribute the funds over the five-year period.

L.1.2.5 Energy Efficiency Program Delivery

Offerors shall propose a budget for the delivery of energy efficiency programs for the first two years of the DCSEU Contract. Offerors shall divide this budget into residential and non-residential sectors. Offerors shall also divide this budget into proposed electricity and natural gas-related program expenditures.

L.1.2.6 Customer-Sited Renewable Energy Service Delivery

Bidders shall propose a budget for the delivery of customer-sited renewable energy programs for the first two years of the DCSEU Contract. Offerors shall divide this budget into residential and non-residential sectors.

L.1.2.7 Fixed Fee

The size of the fixed fee is subject to negotiation between DOEE and each Offeror based upon the proposed annual fee (in dollars) included in the Offerors' Proposals. The proposed annual fixed fee shall be determined by Offerors and evaluated by the District based upon the amount of the annual Cost Reimbursement Ceiling specified in Section B.3. The Contracting Officer will not consider accepting an annual fixed fee that exceeds four percent of the annual Cost Reimbursement Ceiling.

L.1.3 Long-Term Portfolio Strategy

Offerors shall propose a portfolio of programs appropriate for the DCSEU to implement over the five (5) year base period of the DCSEU contract. The intent of this section is not to solicit a fully developed program portfolio, but rather it is an opportunity for the Offeror(s) to demonstrate their experience in program design, and to highlight innovative programs, program designs and market transformation strategies that are particularly appropriate for the District's energy users. Proposals should be creative, innovative and transformative. Offerors should demonstrate experience with past innovation, and should show mastery of the process to develop new and innovative programs and approaches. In addition, Offerors should

highlight and describe program designs that address market segments that are often underserved by energy efficiency and renewable energy programs.

L.1.4 Program Implementation and Delivery Strategy

Offerors shall propose their program implementation and delivery strategy and resources in detail and explain why this strategy will best serve the interests of the District's energy users and current District-based energy service providers.

L.1.5 Marketing and Consumer Information Strategy

Offerors shall describe, in general, a public education and marketing strategy and resources to promote awareness of, and participation in, the DCSEU's services. Offerors shall include a description of a marketing strategy for the hard-to-reach market segments such as low-income residents and small businesses. Offerors should also highlight relevant experience, particularly successful approaches they have applied. Offerors are encouraged to identify existing local and community-based resources that will be partners or potential partners for DCSEU marketing and educational activities.

L.1.6 Performance Benchmark and Incentives

Offerors shall describe their strategy to satisfy each of the performance benchmarks and earn performance incentives. In their responses, Offerors shall detail any experience with similar performance structures.

L.1.7 Innovation Fund Plan

Offerors shall propose a plan for allocation of and use of the innovation fund described in Section C.5.4.

L.2 RFP Schedule

L.2.1 Important Dates

Important dates for this solicitation are listed below.

RFP Released on	February 19, 2016
Pre-Proposal Conference	March 7, 2016, 1:00PM – 3:00PM EST
Questions Submitted by	March 11, 2016
Questions Answered by	March 18, 2016
RFP Response Due Date	April 4, 2016, 5:00PM EST
Offeror Interviews, as needed*	April 14 to April 20, 2016

Contract Negotiations*	April 25, 2016 to May 2, 2016
Contract Execution by*	June 15, 2016

* All dates after the RFP Response Due Date are subject to change.

L.2.1.1 Pre-Proposal Conference

A Pre-Proposal Conference to discuss the contents of this solicitation and other pertinent matters will be held at DOEE, 1:00 PM to 3:00 PM Eastern Standard Time, on March 7, 2016, at:

Department of Energy and Environment
1200 First Street, NE, 5th Floor
Washington, DC 20002

Those who cannot join in person may call in to the conference at (877) 730-3868, access code: 7706597.

Prospective Offerors who wish to attend are encouraged to RSVP in advance by emailing DCSEURFP.DOEE@dc.gov.

Prospective Offerors will be given an opportunity to ask questions regarding this solicitation at the conference. The purpose of the conference is to provide a structured and formal opportunity for DOEE to accept questions from Offerors on the solicitation document as well as to clarify the contents of the solicitation. Attending Offerors must complete the Pre-Proposal Conference Attendance Roster at the conference so that Offerors' attendance can be properly recorded. Impromptu questions will be permitted and spontaneous answers will be provided at DOEE's discretion. Verbal answers given at the Pre-Proposal Conference are only intended for general discussion and do not necessarily represent DOEE's final position.

L.2.1.2 Questions about the Solicitation

Offerors may ask questions in writing or by email until March 11, 2016, 5:00 PM, Eastern Standard Time. Questions should be sent to DCSEURFP.DOEE@dc.gov. Responses will be provided by March 18, 2016. DOEE's response to each question will be compiled into one document listing questions and answers. DOEE will post the question and answer document at <http://doee.dc.gov/service/dc-sustainable-energy-utility-dceu>.

L.2.2 Proposal Submission

Proposals shall be submitted in two parts, titled "Technical Proposal" and "Price Proposal". Proposals shall be typewritten in 12 point font size on 8.5" by 11" bond paper. Telephonic, telegraphic, and facsimile proposals will not be accepted. Each proposal shall be submitted in a sealed envelope conspicuously marked:

**“Proposal in Response to Solicitation No. DOEE-2016-R-0002 –
District of Columbia Sustainable Energy Utility Contractor”**

Proposals must be submitted to DOEE no later than 5:00 PM, Eastern Standard Time, on April 4, 2016. A complete proposal submission shall consist of the following:

- One original Technical Proposal and Price Proposal with signed transmittal letter;
- Eight copies of the written proposals; and
- Two soft copies on compact disc or flash drives.

Proposals shall be submitted to:

Dr. Taresa Lawrence
Deputy Director, Energy Administration
Department of Energy and Environment
1200 First Street, NE, 5th Floor Washington, DC 20002
(202) 671-3313 - Office
(202) 535-2881 - Fax
Email: DCSEURFP.DOEE@dc.gov

L.2.2.1 Postmarks

The only acceptable evidence to establish the date of a late proposal, late modification, or late withdrawal sent either by registered or certified mail shall be a U.S. or Canadian Postal Service postmark on the wrapper or on the original receipt from the U.S. or Canadian Postal Service. If neither postmark shows a legible date, the proposal, modification or request for withdrawal shall be deemed to have been mailed late. When the postmark shows the date but not the hour, the time is presumed to be the last minute of the date shown. If no date is shown on the postmark, the proposal shall be considered late unless the Offeror can furnish evidence from the postal authorities of timely mailing.

L.2.2.2 Late Proposals

A late proposal, late modification or late request for withdrawal of a proposal that is not considered shall be held unopened, unless opened for identification, until after award and then retained with unsuccessful proposals resulting from this solicitation. Modifications to proposals, or requests for withdrawals that are received in the designated District office after the exact local time specified above, are "late" and shall be considered only if they are received before the award is made and one or more of the following circumstances apply:

L.2.2.2.1 The proposal or modification was sent by registered or certified mail not later than the fifth day before the date specified for receipt of offers;

L.2.2.2.2 The proposal or modification was sent by mail and it is determined by DOEE that the late receipt at the location specified in the solicitation was caused by mishandling by the District; or

L.2.2.2.3 The proposal is the only proposal received.

L.2.2.3 Withdrawal or Modification of Proposals

An offeror may modify or withdraw its proposal upon written or electronic notice transmission if received at the location designated in the solicitation for submission of proposals, but not later than the closing date and time for receipt of proposals.

L.2.2.4 Late Modifications

A late modification of a successful proposal, which makes its terms more favorable to the District, shall be considered at any time it is received and may be accepted.

L.2.2.5 Acknowledgment of Amendments

The Offeror shall acknowledge receipt of any amendment to this solicitation by sending a confirmation email to DCSEURFP.DOEE@dc.gov. The District must receive the acknowledgments by the date and time specified for receipt of proposals. An Offeror's failure to acknowledge an amendment may result in rejection of its offer.

L.2.2.6 Proprietary Information

By submitting a proposal, Offerors shall be deemed to have granted permission to DOEE to make inquiries concerning the respondent and its officers and any persons or firms deemed appropriate by DOEE. Any proprietary information that the Offeror does not want disclosed to the public shall be so identified on each page in which it is found. Data or information so identified will be used by DOEE solely for the purpose of evaluation and contract negotiations.

Offerors who include, in their proposal, data that they do not want disclosed to the public shall mark the title page with the following legend:

"This proposal includes data that shall not be disclosed outside the District and shall not be duplicated, used or disclosed in whole or in part for any purpose except for use in this solicitation."

Offerors shall also mark each sheet of data it wishes to restrict from public access with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

If, however, a contract is awarded to an Offeror as a result of or in connection with the submission of this data, DOEE will have the right to duplicate, use, or disclose the data to the extent consistent with DOEE's needs in the procurement process. This restriction does not limit DOEE's rights to use, without restriction, information contained in this

proposal if it is obtained from another source.

L.2.2.7 Copy of Proposal for Freedom of Information Act Requests

In addition to other proposal submission requirements, the Offeror must submit an electronic copy of its proposal, redacted in accordance with any applicable exemptions from disclosure in D.C. Code § 2-534, in order for the District to comply with D.C. Code § 2-536(b) that requires the District to make available electronically copies of records that must be made public. The District's policy is to release documents relating to District proposals following award of the contract, subject to applicable FOIA exemption under D.C. Code § 2-534(a)(1).

L.2.2.8 Concise Proposals

DOEE discourages overly lengthy and costly proposals. DOEE's desire is that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. DOEE's interest is in the quality and responsiveness of the proposals.

L.2.2.9 Realistic Proposals

It is the expectation of DOEE that Offerors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. DOEE shall bear no responsibility or increase obligation for an Offeror's failure to accurately estimate the costs or resources required to meet the obligations defined in its proposal.

L.2.3 Retention of Proposals

All proposal documents will be the property of the District and retained by DOEE, and therefore will not be returned to the Offerors.

L.2.4 Proposal Costs

The District is not liable for any direct or indirect costs incurred by the Offerors in submitting proposals in response to this solicitation.

L.2.5 Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the material requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely with DOEE.

L.2.6 Right to Reject Proposals

DOEE reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in DOEE's specifications or Offeror's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed solicitation.

L.2.7 Right to Cancel the Solicitation

DOEE reserves the right to cancel this solicitation at any time during the procurement process, for any reason. DOEE makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by DOEE. An Offeror's participation in this process may result in DOEE selecting the Offeror's organization to engage in further discussions and negotiations toward the execution of a contract. The commencement of such negotiations does not, however, signify a commitment by DOEE to execute a contract nor to continue negotiations. DOEE may terminate negotiations at any time and for any reason.

L.2.8 Joint Ventures and Teaming Arrangements

Joint ventures and teaming arrangements will be allowed only if one of the venture's partners is designated as the "prime contractor". The "prime contractor" must be the contact point for DOEE and be responsible for the joint venture's performance under the contract, including all project management, legal, and financial responsibility for the contract. If a joint venture or teaming arrangement is proposed, a copy of the joint venture agreement clearly describing the responsibilities of the partners must be submitted with the proposal. Further, the prime contractor shall be and remain liable for all damages to the District caused by negligent performance or non-performance of work by its joint venture partner(s), subcontractor(s) or its sub-subcontractor(s). Joint ventures and teaming arrangements must submit a consolidated response in the proposal with all costs included in the cost summary.

L.2.8.1 Prime Contractor

DOEE expects to negotiate and contract with only one prime contractor. DOEE will not accept any proposals that reflect an equal teaming arrangement or from Offerors who are co-bidding on this RFP. The prime contractor will be responsible for the management of all subcontractors. The DCSEU contract shall specify that the prime contractor is solely responsible for fulfillment of the contract with DOEE.

L.2.8.2 Subcontractors

The prime contractor selected shall be solely responsible for contractual performance and management of all subcontract relationship. The prime contractor assumes all responsibility for quality control, delivery, installation, maintenance, and any supporting services performed by a subcontractor. Payments to all subcontractors are the sole responsibility of the prime contractor. Use of subcontractors must be clearly explained in the proposal.

L.2.8.3 Multiple Proposals

A prime contractor may not participate in more than one proposal in any form. Subcontractors may participate in multiple teaming arrangements proposals

L.2.9 Representations, Certifications, and Other Statements of Offerors

L.2.9.1 Signing of Proposals

The Offeror shall sign and print or type its name on its proposal. Proposals signed by an agent shall be accompanied by evidence of that agent's authority to bind the prime Contractor.

L.2.9.2 Legal Status of Offeror

Each proposal must provide the following information: name, address, telephone number, and federal tax identification number of Offeror. On the signature page of their proposal, the Offeror shall indicate that it operates as a: corporation incorporated under the laws of the state of _____, an individual; a partnership; a nonprofit organization; or a joint venture. If the Offeror is a partnership or joint venture, the proposal must provide the names and addresses of the general partners or individual members of the joint venture, and copies of any joint venture or teaming agreements.

L.2.9.3 Certification of Eligibility

The Offeror's signature shall be considered a certification by the signatory that the Offeror, or any person associated therewith in the capacity of owner, partner, director, officer, principal, or any position involving the administration of funds:

L.2.9.3.1 is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility under any federal, District or state statutes;

L.2.9.3.2 has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal, District or state agency within the past five years;

L.2.9.3.3 does not have a proposed debarment pending; and

L.2.9.3.4 has not been indicted, convicted, or had a civil judgment rendered against it or them by a court of competent jurisdiction in any matter involving

fraud or official misconduct within the past five years.

Offerors shall indicate any exception to its certification of eligibility and to whom it applies, their position in the Offeror's organization, the initiating agency, and dates of action. Exceptions will not necessarily result in denial of award, but will be considered in determining responsibility of the Offeror. Providing false information may result in criminal prosecution or administrative sanctions.

L.2.9.4 Clean Hands Certificate

The Offeror attests that it owes no liability to the District of Columbia, demonstrated by providing a copy of the Certificate of Clean Hands (Retrieved within 30 days of submitting the proposal materials). Certificates can be obtained at: <https://ocfocleanhands.dc.gov/cch/>

L.2.9.5 Authorized Negotiators

The Offeror shall identify at least two persons authorized to negotiate on its behalf with DOEE in connection with this solicitation.

L.2.10 Offeror Presentations and Negotiations

Up to five proposals may be selected for an interview and the Offerors may be requested to provide a presentation on their proposal. Based on the interview and presentation, the Committee may revise their ranking of the proposals. DOEE will conduct negotiations with the selected Offeror for final contract terms and conditions.

L.2.11 Best and Final Offers (BAFOs)

If, subsequent to receiving original proposals, negotiations are conducted, all Offerors within the competitive range will be so notified and will be provided an opportunity to submit written best and final offers at the designated date and time. Best and final offers will be subject to the Late Submissions, Late Modifications and Late Withdrawals of Proposals provisions of the solicitation. After receipt of best and final offers, no discussions will be reopened unless the CO determines that it is clearly in the District's best interest to do so, *e.g.*, it is clear that information available at that time is inadequate to reasonably justify contractor selection and award based on the best and final offers received. If discussions are reopened, the CO shall issue an additional request for best and final offers to all Offerors still within the competitive range.

L.2.12 General Standards of Responsibility

The prospective contractor must demonstrate to the satisfaction of the District its capability in all respects to perform fully the contract requirements; therefore, the prospective contractor must submit relevant documentation within five (5) days of the request by the District.

L.2.12.1 To be determined responsible, a prospective contractor must demonstrate that it:

- (a) Has adequate financial resources, or the ability to obtain such resources, required to perform the contract;
- (b) Is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- (c) Has a satisfactory performance record;
- (d) Has a satisfactory record of integrity and business ethics;
- (e) Has a satisfactory record of compliance with the applicable District licensing and tax laws and regulations;
- (f) Has a satisfactory record of compliance with labor and civil rights laws and rules, and the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code §2-219.01 *et seq.*;
- (g) Has, or has the ability to obtain, the necessary organization, experience, accounting, and operational control, and technical skills;
- (h) Has, or has the ability to obtain, the necessary production, construction, technical equipment, and facilities;
- (i) Has not exhibited a pattern of overcharging the District;
- (j) Does not have an outstanding debt with the District or the federal government in a delinquent status; and
- (k) Is otherwise qualified and is eligible to receive an award under applicable laws and regulations.

L.2.12.2 If the prospective contractor fails to supply the information requested, the CO shall make the determination of responsibility or non-responsibility based upon available information. If the available information is insufficient to make a determination of responsibility, the CO shall determine the prospective contractor to be non-responsible.

L.3 Award of Contract

The final award of a contract is subject to approval by DOEE. DOEE has the sole right to select the successful Offeror for an award, to reject any proposal as unsatisfactory or non-responsive, to

award a contract to other than the lowest priced proposal, or not to award a contract, as a result of this RFP.

Notice in writing to an Offeror of the acceptance of its proposal by DOEE and the subsequent full execution of a written contract will constitute a contract, and no Offeror will acquire any legal or equitable rights or privileges until the occurrence of both such events.

L.4 Proposal Protests

Any actual or prospective offeror or contractor who is aggrieved in connection with the solicitation or award of a contract, must file with the D.C. Contract Appeals Board (CAB) a protest no later than ten (10) business days after the basis of protest is known or should have been known, whichever is earlier. A protest based on alleged improprieties in a solicitation which are apparent at the time set for receipt of initial proposals shall be filed with the CAB prior to the time set for receipt of initial proposals. In procurements in which proposals are requested, alleged improprieties which do not exist in the initial solicitation, but which are subsequently incorporated into the solicitation, must be protested no later than the next closing time for receipt of proposals following the incorporation. The protest shall be filed in writing, with the Contract Appeals Board, 441 4th Street, N.W., Suite 350N, Washington, D.C. 20001. The aggrieved person shall also mail a copy of the protest to the CO for the solicitation.

SECTION M: EVALUATION CRITERIA

M.1 Evaluation for Award

The contract will be awarded to the responsive, responsible offeror whose offer is most advantageous to the District, based upon the evaluation criteria specified below. Thus, while the points in the evaluation criteria indicate their relative importance, the total scores will not necessarily be determinative of the award. Rather, the total scores will guide the District in making an intelligent award decision based upon the evaluation criteria.

Offeror proposals will be initially evaluated by an RFP Screening Committee ("Committee") consisting of DOEE personnel and other public or private individuals chosen by DOEE. The Committee will score and rank offeror proposals using a point system for each criterion listed in Table M.2. Each proposal will be scored individually. Once the proposals are evaluated, the Committee may choose to interview up to five Offerors with the highest ranking scores. Interviews will focus on and assess each offeror's ability to perform the tasks outlined in their proposals.

Based on the interview(s)/oral presentation(s), the Committee may revise their ranking of the proposals. The Committee will submit its review to the DOEE Contracting Officer with a recommendation on the Offerors. The Committee's recommendation will not be binding on the Contracting Officer.

The Contracting Officer will conduct her own independent assessment of the offers and make award based upon the evaluation criteria included in the solicitation or make no decision and rebid the same RFP or an amended RFP. In making her independent assessment, the CO shall consider, without limitation, the work papers and reports of the Committee, including ratings by Committee consensus and by individual members.

M.2 Technical Rating

M.2.1 The Technical Rating Scale is as follows:

Table M.1: Technical Rating Scale

Numeric Rating	Adjective	Description
0	Unacceptable	Fails to meet minimum requirements; e.g., no demonstrated capacity, major deficiencies which are not correctable; offeror did not address the factor.
1	Poor	Marginally meets minimum requirements; major deficiencies which may be correctable.
2	Minimally Acceptable	Marginally meets minimum requirements; minor deficiencies which may be correctable.
3	Acceptable	Meets requirements; no deficiencies.

Numeric Rating	Adjective	Description
4	Good	Meets requirements and exceeds some requirements; no deficiencies.
5	Excellent	Exceeds most, if not all requirements; no deficiencies.

M.2.2 Technical Rating Scale Description

The technical rating is a weighting mechanism that will be applied to the point value for each evaluation factor to determine the Offeror’s score for each factor. The Offeror’s total technical score will be determined by adding the Offeror’s score in each evaluation factor. For example, if an evaluation factor has a point value range of zero (0) to forty (40) points, using the Technical Rating Scale above, if the District evaluates the Offeror’s response as “Good,” then the score for that evaluation factor is 4/5 of 40 or 32.

If subfactors are applied, the offeror’s total technical score will be determined by adding the offeror’s score for each subfactor. For example, if an evaluation factor has a point value range of zero (0) to forty (40) points, with two subfactors of twenty (20) points each, using the Technical Rating Scale above, if the District evaluates the offeror’s response as “Good” for the first subfactor and “Poor” for the second subfactor, then the total score for that evaluation factor is 4/5 of 20 or 16 for the first subfactor plus 1/5 of 20 or 4 for the second subfactor, for a total of 20 for the entire factor.

M.3 Evaluation Criteria

The RFP Screening Committee and DOEE will base their evaluation of offers on the following evaluation criteria:

Table M.2 Evaluation Criteria

Evaluation Criteria	Maximum Points
1. Organizational and Management Capability	25
– Offeror qualifications and experience in program design, innovative program development, and portfolio development	
– Qualifications and experience of Key Contractor Personnel	
– Management structure, organization chart, and staffing plan	
– Data collection protocols, budgeting and financial management, and IT budget and proposal	
– Client references	

Evaluation Criteria	Maximum Points
2. Proposed DCSEU Program Portfolio and Program Delivery	30
– Quantity of stated energy savings	
– Likelihood of achieving or exceeding stated energy savings and renewable energy development benchmarks	
– Specific capabilities and resources that enhance program delivery	
– Programs targeting difficult-to-serve market segments, lost-opportunities, and market transformation	
– Phase-in, phase-out transition plan	
– Approach to creating green jobs in the District	
3. Marketing and Consumer Information Strategy	10
– Experience with successful approaches	
– Creativity	
– Plan for outreach, education and community engagement	
– Strategy for hard-to-reach market segments	
4. Innovation	10
– Creative approach that is bold, innovative, and transformative, yet solidly grounded in research and past accomplishments	
– Proposals for use of the innovation fund	
– Proposals for leveraging other funding sources	
5. Local Resources	10
– District-based entities used for marketing and consumer information strategy	
– CBEs on bidding team	
– District-based entities on bidding team	
– Community Based Organizations on bidding team	

Evaluation Criteria	Maximum Points
6. Cost Proposal	15
Realistic Budget for program delivery and achievement of performance benchmarks	
General and Administrative Budget	
IT and MIS Budget	
Fixed fee	
Total Points Available	100

M.4 Preferences for Certified Business Enterprises

Under the provisions of the “Small and Certified Business Enterprise Development and Assistance Act of 2014”, D.C. Official Code § 2-218.01 *et seq.*, as amended (“Act”, as used in this section), the District shall apply preferences in evaluating proposals from businesses that are certified by the Department of Small and Local Business Development (“DSLBD”) pursuant to Part D of the Act.

M.4.1 Application of Preferences

For evaluation purposes, the allowable preferences under the Act shall be applicable to prime contractors as follows:

M.4.1.1 Any prime contractor that is a small business enterprise (SBE) certified by the DSLBD will receive the addition of three points on a 100-point scale added to the overall score.

M.4.1.2 Any prime contractor that is a resident-owned business (ROB) certified by DSLBD will receive the addition of five points on a 100-point scale added to the overall score.

M.4.1.3 Any prime contractor that is a longtime resident business (LRB) certified by DSLBD will receive the addition of five points on a 100-point scale added to the overall score.

M.4.1.4 Any prime contractor that is a local business enterprise (LBE) certified by DSLBD will receive the addition of two points on a 100-point scale added to the overall score.

M.4.1.5 Any prime contractor that is a local business enterprise with its principal offices located in an enterprise zone (DZE) certified by DSLBD will receive the addition of two points on a 100-point scale added to the overall score.

M.4.1.6 Any prime contractor that is a disadvantaged business enterprise (DBE) certified by DSLBD will receive the addition of two points on a 100-point scale added to the overall score.

M.4.1.7 Any prime contractor that is a veteran-owned business (VOB) certified by DSLBD will receive the addition of two points on a 100-point scale added to the overall score.

M.4.1.8 Any prime contractor that is a local manufacturing business enterprise (LMBE) certified by DSLBD will receive the addition of two points on a 100-point scale added to the overall score.

M.4.2 Maximum Preference Awarded

Notwithstanding the availability of the preceding preferences, the maximum total preference to which a certified business enterprise is entitled under the Act is the equivalent of twelve (12) points on a 100-point scale for proposals submitted in response to this RFP. There will be no preference awarded for subcontracting by the prime contractor with certified business enterprises.

M.4.3 Preferences for Certified Joint Ventures

A certified joint venture will receive preferences as determined by DSLBD in accordance with D.C. Official Code § 2-218.39a(h).

M.4.4 Verification of Offeror's Certification as a Certified Business Enterprise

M.4.4.1 Any vendor seeking to receive preferences on this solicitation must be certified at the time of submission of its proposal. The CO will verify the offeror's certification with DSLBD, and the offeror should not submit with its proposal any additional documentation regarding its certification as a certified business enterprise.

M.4.4.2 Any vendor seeking certification in order to receive preferences under this solicitation should contact the:

Department of Small and Local Business Development
ATTN: CBE Certification Program
441 Fourth Street, NW, Suite 850N
Washington DC 20001

M.4.4.3 All vendors are encouraged to contact DSLBD at (202) 727-3900 if additional information is required on certification procedures and requirements.