



Request For Proposals

For

Sustainable Energy Utility  
Contractor

From:  
The District of Columbia  
Department of the Environment

1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, DC 20002

July 2, 2010

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**SCHEDULE**

RFP Released on	July 2, 2010
Pre-Proposal Conference	July 19, 2010
Questions Submitted	July 30, 2010
Questions Answered	August 6, 2010
Statement of Intent	August 10, 2010
RFP Response Due Date	September 1, 2010
Bidder Presentations	September 15, 2010 to September 17, 2010
Contract Negotiations	October 4, 2010 to October 15, 2010
Contract Execution	by November 8, 2010

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## **1.0 INTRODUCTION**

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 (“SEU” or “Contractor”) to administer sustainable energy programs in the District of Columbia.<sup>1</sup> The SEU 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.<sup>2</sup> The SEU will operate under a contract to be entered into with the District Department of Environment (“DDOE”).

DDOE issues this Request for Proposals (“RFP”) to solicit competitive proposals for a SEU for the District of Columbia. This document presents the project objectives, terms and conditions, specific deliverables, and the required format to submit a proposal to DDOE. Potential bidders should read the entire RFP carefully, along with its Appendices, in order to gain a clear understanding of the project requirements.

### **1.1 Definitions & Acronyms**

#### **1.1.1 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 Bidder; (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 Bidder.

“Capacity Credit” is 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.

“District” means the District of Columbia.

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

“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 customer facilities that

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<sup>1</sup> Titles I and II of the Clean and Affordable Energy Act of 2008 are codified in D.C. Code § 8-1773.01, *et seq.*

<sup>2</sup> CAEA §101(19).

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 consumer 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 incentive, generally monetary, to encourage the customer to participate in the program. An incentive is intended to overcome one or more barriers that keep the customer 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, state, utilities, and private foundation sources.

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

“Full-Time Equivalents (“FTE”)” means a total of 2,080 labor hours worked in support of the contract, and equals one full-time equivalent of a year-round job.

“Green Energy DC” is the brand name established by the DDOE under which sustainable energy programs will be operated.

“Green Job” or “Green-Collar Job” means any SEU expenditures that, directly or through contracting, create a job at, or above, a Living Wage.

“Key Contractor Personnel” are the personnel identified in the SEU contract that have responsibility and accountability for the provision of services under the SEU contract. Key Contractor Personnel manage the core operations of the SEU. Examples of potential Key Contractor Personnel include program administrator, project managers/directors, director of marketing, and planning manager/director.

“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 16-18 (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 customer 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.

“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 SEU contract.

“PJM Capacity Market” is the general term for the rules and market constructs to ensure that there are adequate resources to reliably meet the 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 consumer 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 customer to participate in the program. An incentive is intended to overcome one or more barriers that keep the customer from installing renewable energy on their own.

“Sustainable energy programs” means energy efficiency and renewable energy programs.

“Sustainable Energy Utility” is the private Contractor selected by the Mayor, by and through DDOE, to develop, coordinate, and provide programs for the purpose of promoting the use of sustainable energy in the District of Columbia.

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

### **1.1.2 Acronyms**

CAEA	Clean and Affordable Energy Act of 2008, D.C. Code §8-1773.01 <i>et seq.</i>
CBE	Certified Business Enterprises
CBO	Community-Based Organizations
CO	Contracting Officer
DDOE	District Department of Environment

DOES	District Department of Employment Services
DSLBD	District Department of Small and Local Business Development's
EM&V	Evaluation, Measurement, & Verification
ESCO	Energy Service Companies
FA	Fiscal Agent
FTE	Full-Time Equivalents
GAAP	Generally Accepted Accounting Principles
IC	SEU 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
PACE	Property Assessed Clean Energy
PJM	PJM Interconnection, a regional transmission organization.
REC	Renewable Energy Certificates
REIP	Renewable Energy Incentive Program
RFP	Request for Proposals
RPM	Reliability Pricing Model
RPS	Renewable Portfolio Standard
SETF	Sustainable Energy Trust Fund
SEU	Sustainable Energy Utility
SREC	Solar Renewable Energy Certificates
TRM	Technical Reference Manual

## **1.2 Mission and Objectives of SEU**

The mission of the SEU is to help residents and businesses use less energy, generate their own energy cleanly, serve environmental goals, lower consumers' conventional energy bills, and create green jobs for District residents. The objectives of the SEU contract are to:

- 1.2.1 Provide energy efficiency and renewable energy programs for all major market segments (i.e., residential, commercial, industrial);
- 1.2.2 Provide programs to traditionally difficult-to-serve market segments (e.g., low-income and small commercial);
- 1.2.3 Provide programs to market segments that face significant barriers to participation (e.g. renters);
- 1.2.4 Offer coordinated delivery of energy efficiency and renewable energy programs;
- 1.2.5 Identify and leverage opportunities to bring additional funding to the SEU (e.g., the PJM capacity market);
- 1.2.6 Target "market transformation" in program design; and

1.2.7 Target “lost opportunities” in program design;

1.2.8 Create green job opportunities for District residents;

1.2.9 Enhance knowledge of Green Energy DC, the single brand for provision of energy efficiency and renewable energy services.

### **1.3 Term of Contract**

The winning bidder of this RFP will provide the full scope of services described within this document for a base period ending on September 30, 2011, renewable annually thereafter for six more years, at a minimum.<sup>3</sup>

#### **1.3.1 Annual Appropriation of Funds**

DDOE’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 DDOE for the payment of any money shall exist only after such annual appropriation shall have been provided.

#### **1.3.2 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 SEU contract (see section 9). The effect of termination is to discharge both DDOE and the Contractor from future performance of the contract, but not from the existing obligations.

### **1.4 Overview of Institutional Structure**

Potential bidders need to understand the roles and responsibilities of the SEU, DDOE, SEU Advisory Board, Contractor, Fiscal Agent, PACE administrator, and Implementation Contractors:

**1.4.1 The Sustainable Energy Utility** is the private Contractor selected by the Mayor, by and through DDOE, to develop, coordinate, and provide programs for the purpose of promoting the use of sustainable energy in the District of Columbia. The Contractor will manage sustainable energy programs under a contract with DDOE and under the direction of DDOE. Routine administration of the SEU activities shall be performed by the Contractor. The Act requires that operations of the SEU be carried out by a private entity (i.e., non-governmental entity).<sup>4</sup>

**1.4.2 The District Department of the Environment** has a number of responsibilities relating to the development, implementation, oversight, and monitoring of the SEU including (but not limited to):

- 1.4.2.1 Generate an RFP for the SEU;
- 1.4.2.2 Accept and review bids for the SEU contract;

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<sup>3</sup> Unless otherwise specified, for the purposes of this RFP, “SEU contract” refers to the minimum seven -year period during which the SEU is not rebid.

<sup>4</sup> CAEA §101(19) and §201 (b).



- 1.4.2.3 Develop criteria for evaluation of bid proposals;
- 1.4.2.4 Hire and terminate (if appropriate) the Contractor;
- 1.4.2.5 Define performance incentives;
- 1.4.2.6 Manage Contractor contract;
- 1.4.2.7 Ensure continuity of program implementation and sufficient carry-over funding during the transition period between the end of one SEU contract term and the beginning of another SEU contract term;
- 1.4.2.8 Ensure that adequate evaluation, monitoring, and verification mechanisms are in place so that SEU expenditures result in verifiable energy savings over the expected lifetime of each energy-saving measure;
- 1.4.2.9 Commission, on an annual basis, an independent review of the performance and expenditures of the SEU and provide the results of this review to the SEU Advisory Board and the District Council within 6 months of the conclusion of each year of the SEU contract;
- 1.4.2.10 Provide staff resources to the SEU Advisory Board 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;
- 1.4.2.11 Maintain the brand name, Green Energy DC;
- 1.4.2.12 Approve a change in level of funding, programs or benchmarks;
- 1.4.2.13 Approve the use of private funding or grants by SEU; and
- 1.4.2.14 Receive and approve reports from the Contractor.

**1.4.3 The Sustainable Energy Utility Advisory Board** (“Board”) is comprised of 13 members as designated in Section 203 of the CAEA. The current composition of the Board can be seen at [www.greenenergy.dc.gov](http://www.greenenergy.dc.gov). Duties and responsibilities of the Board include:

- 1.4.3.1 Provide advice, comments, and recommendations to DDOE and District Council, regarding the procurement and administration of the SEU contract;
- 1.4.3.2 Recommend performance benchmarks;
- 1.4.3.3 Comment on SEU RFP;
- 1.4.3.4 Meet quarterly with representatives from the SEU to monitor SEU programs and Contractor performance;
- 1.4.3.5 Report on the progress of the SEU to the District Council and public annually, with the first report being due 30 days after the conclusion of the 1<sup>st</sup> year of the SEU contract; and
- 1.4.3.6 Convene any subcommittees and working groups it considers appropriate without any limitation as to the membership of such groups.

**1.4.4 The Contractor’s** chief responsibilities are program research and design and program delivery. DDOE will consider a variety of program delivery strategies. Bidders are encouraged to accomplish program delivery via competitively-selected Implementation Contractors. DDOE will also consider bids where 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. DDOE has oversight responsibility over the Contractor. The Board will provide advice to DDOE on elements of SEU oversight. DDOE will review the Contractor's proposed program designs, performance targets, and RFPs before the Contractor submits RFPs for bidding by Implementation Contractors. Subject to the approval of DDOE, the Contractor will develop and maintain a management information system ("MIS") to collect all performance, market, and financial data necessary to monitor and evaluate SEU performance and make such data available to DDOE and Board upon request. Any MIS systems developed by the Contractor shall conform to applicable District and DDOE standards relating to information technology systems. The Contractor shall be a private entity (i.e., non-governmental entity) and may be a for-profit company or non-profit organization.

**1.4.5 Green Energy DC** is the brand name established by DDOE under which sustainable energy programs will be operated. DDOE has also established a website for the brand, [www.greenenergy.dc.gov](http://www.greenenergy.dc.gov). The purpose of this website is to serve as a portal for information about every energy efficiency and renewable energy program available to District residents and businesses, including those offered by DDOE, the SEU, electricity companies, natural gas companies, and federal government.

**1.4.6 The SEU Fiscal Agent ("FA")** means the Office of the Chief Financial Officer of the District of Columbia. All funds used to support the SEU contract shall be managed by the FA. Specific FA functions may include the following:

- 1.4.6.1 Receive funds for the SEU;
- 1.4.6.2 Disburse these funds to the Contractor under the direction of DDOE;
- 1.4.6.3 Oversee financial transactions involving renewable energy certificates, if applicable; and
- 1.4.6.4 Pay SEU invoices.

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

## **1.5 Funding for the SEU**

The Act created the Sustainable Energy Trust Fund ("SETF") which is funded by assessments on the natural gas and electric companies. The law authorizes SEU funding in amount of \$7.5 million for 1st year, \$15 million for 2nd year, \$17.5 million in 3rd year, and \$20 million in 4th year and for each year of any subsequent contract. The SEU contract may also be funded by federal funds, private funds, and other District funds.

## **1.6 Mandatory Requirements**

Mandatory Requirements are explicitly stated within this RFP. Bidders should consider the following general mandatory requirements prior to deciding to respond to this RFP.

1.6.1 The Contractor shall be prepared to operate the SEU 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 or an IC's or a subcontractor's or a vendor's acts and/or omissions in the performance of its duties.

1.6.2 The Contractor shall provide the full scope of services described in the Statement of Work (see section 3.0) for a one-year base period, renewable annually thereafter for up to six more years.

1.6.3 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 a minimum of disruption to SEU participants, ICs, and SEU programs and services. All bidders will be expected to describe, in detail, a transition process that maintains full access to SEU participants and ICs to SEU 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 DDOE six months prior to any intent to terminate performance of the SEU contract. In the event of termination of the SEU contract for performance failure, DDOE will give the contractor six months notice.

1.6.4 Due to the size of the SEU budget and potential liabilities surrounding project services, the Contractor shall obtain general liability insurance coverage. This general liability insurance coverage shall not exclude professional judgment. Upon completion of contract execution with DDOE, the bidder must acquire, at a minimum, the following insurance coverage and shall provide a copy of its insurance certificate to DDOE:

- 1.6.4.1 Commercial General Liability Insurance – \$2,000,000 per occurrence  
\$2,000,000 general aggregate
- 1.6.4.2 Automobile Liability Insurance – \$1,000,000 per occurrence
- 1.6.4.3 Workers' Compensation Insurance
- 1.6.4.4 Employer's Liability Insurance – \$500,000 per accident for injury  
\$500,000 per employee for disease, and \$500,000 for policy disease limit
- 1.6.4.5 Umbrella or Excess Liability Insurance – \$ 3,000,000 per occurrence

1.6.5 The Contractor and all ICs shall comply with the District's First Source Agreement Act of 1984<sup>5</sup>. 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 SEU contract are listed with the District Department of Employment Services ("DOES") and that 51% of new hires are District residents.

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<sup>5</sup> D.C. Official Code §2-219.01 More information on the First Source Agreement Program can be found at <http://does.dc.gov/does/cwp/view.a,1232,q,537680.asp>

1.6.6 By the end of the first year of the SEU contract, a minimum of 35% of the dollar volume of Implementation Contracts (including subcontracts that are part of any teaming arrangement in an RFP bid) must be attributable to contracts with Certified Business Enterprises (“CBE”).<sup>6</sup> By the end of the second year of the SEU contract and for subsequent years, a minimum of 50% of the dollar volume of Implementation Contracts must be attributable to contracts with CBEs.

1.6.7 Annual expenditures on natural gas-related programs shall be no less than 75%, and no greater than 125%, of the amount of the assessment on the natural gas company. Annual expenditures on electricity-related programs shall be no less than 75%, and no greater than 125%, of the amount of the assessment on the electricity company.<sup>7</sup> DDOE shall provide guidance as to the anticipated revenues for the next fiscal year from the natural gas and electricity assessments. The Contractor shall provide a detailed breakdown of natural gas and electricity-related program expenditures as part of its reporting requirements in section 3.3.

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

1.6.9 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 SEU (identified in response to section 6.1.2). The Contractor shall not replace Key Contractor Personnel without the CO’s prior written approval, 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 promptly appoint a replacement acceptable to DDOE.

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<sup>6</sup> More information on CBEs can be found at <http://dslbd.dc.gov/olbd/> or “Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005”, Title II, Subtitle N, of the “Fiscal Year 2006 Budget Support Act of 2005”, D.C. Law 16-33, effective October 20, 2005.

<sup>7</sup> CAEA §202(h), (i), and (j).

## **2.0 SEU PERFORMANCE CONTRACT**

This section describes the minimum performance requirements, performance benchmarks, and incentives that apply to the SEU contract.

### **2.1 Minimum Requirements**

The Act requires that the SEU contract achieve the following, at a minimum:

- (1) Reduce per-capita energy consumption in the District of Columbia;
- (2) Increase renewable energy generating capacity in the District of Columbia;
- (3) Reduce the growth of peak electricity demand in the District of Columbia;
- (4) Improve the energy efficiency of low-income housing in the District of Columbia;
- (5) Reduce the growth of the energy demand of the District of Columbia's largest energy users; and
- (6) Increase the number of green-collar jobs in the District of Columbia.

These requirements establish the basis for the performance benchmarks detailed in section 2.3.

An additional requirement specified in the CAEA is that the portfolio of SEU energy efficiency programs, funded by the SETF, must pass the societal benefit test on an annual and contract basis. See section 2.4 for the definition and methodology for the societal benefit test to be used in the evaluation of SEU programs.

### **2.2 Performance Contract During the First Year of the SEU Contract**

The performance benchmarks and incentives described in section 2.3 (with the exception of 2.3.6) will not apply during the first year of the SEU contract. Instead, DDOE will evaluate Contractor performance and offer incentives based on the following series of activity milestones. These activity milestones represent important steps in the establishment of SEU operations:

- 2.2.1 Deployment of all components of management information systems and information technology systems;
- 2.2.2 Completion of consumer education and marketing plan;
- 2.2.3 Completion of strategic market analysis and program design;
- 2.2.4 Development of IC qualification and certification criteria;
- 2.2.5 Delivery of training sessions for ICs and trade allies; and
- 2.2.6 Implementation of all first-year programs proposed by Bidder in response to section 6.3.1 within 120 days of contract execution.

The Contractor shall be eligible to receive a performance incentive for the first year of the SEU contract for meeting each of the milestones enumerated in 2.2.1 to 2.2.6. The incentive for each individual milestone is capped at \$40,000 and the overall cap for meeting all six milestones is \$240,000. DDOE, with advice from the Board, shall determine the amount of the Contractor's award for the performance incentives enumerated above as well as the performance incentive in 2.3.6 within 90 days after completion of the first year of the SEU contract. Payment of incentives awards is subject to section 1.3.1 Annual Appropriation of Funds. Bidders may propose an alternative incentive structure.

### **2.3 Performance Benchmarks and Incentives**

Performance benchmarks are designed to provide assurance to the public, the Board, and DDOE that the Contractor is making progress towards meeting the CAEA's goals of reducing the

District’s energy use and peak electricity demand, increasing renewable energy generating capacity in the District, improving the energy efficiency of low-income housing, and creating green jobs in the District while achieving those goals in a cost-effective manner that is fair to ratepayers. Each benchmark and the associated compensation scheme are detailed in sections 2.3.1 to 2.3.6. The benchmarks may be changed at any time with the approval of both the Contractor and DDOE. DDOE will determine the eligibility of the Contractor to earn a performance incentive after DDOE completes its evaluation of SEU programs. Table 1 summarizes the allocation of the performance incentives, in the form of compensation at risk, to each benchmark for Years 1 to 7 of the SEU contract.

**Table 1: Allocation of Compensation at Risk to Benchmarks**

	<b>Year 1</b>	<b>Year 2</b>		<b>Year 3</b>		<b>Years 4 - 7</b>	
<b>Total compensation at risk, to be paid in following year<sup>1</sup></b>	\$300,000 <sup>2</sup>	\$600,000		\$700,000		\$800,000	
Benchmark 1: Reduce per-capita consumption	n/a <sup>2</sup>	30%	\$180,000	30%	\$210,000	30%	\$240,000
Benchmark 2: Increase renewable energy generating capacity	n/a <sup>2</sup>	5%	\$30,000	10%	\$70,000	10%	\$80,000
Benchmark 3: Reduce growth in peak demand	n/a <sup>2</sup>	5%	\$30,000	5%	\$35,000	5%	\$40,000
Benchmark 4: Improve energy efficiency in low-income housing	n/a <sup>2</sup>	20%	\$120,00	20%	\$140,000	20%	\$160,000
Benchmark 5: Reduce growth of energy demand of largest energy users	n/a <sup>2</sup>	10%	\$60,000	10%	\$70,000	10%	\$80,000
Benchmark 6: Increase number of green-collar jobs	\$60,000	30%	\$180,000	25%	\$175,000	25%	\$200,000
<b>Total</b>	\$300,000 <sup>2</sup>	100%	\$600,000	100%	\$700,000	100%	\$800,000
<sup>1</sup> Payment of incentives is subject to section 1.3.1.							
<sup>2</sup> For Year 1 only, there is an alternative incentive structure with \$240,000 of compensation at risk plus \$60,000 at risk for Benchmark 6. See section 2.2.							

### **2.3.1 Reduce Per-Capita Energy Consumption in the District of Columbia**

#### **2.3.1.1 Enumerated Benchmark**

The Contractor shall develop and implement renewable energy and energy efficiency programs for electricity and natural gas users that directly lead to an annual reduction equivalent to 1% of the weather-normalized total electricity consumption in the District for 2009 and an annual reduction equivalent to 1% of the weather-normalized natural gas consumption in the District for 2009. These are separate

benchmarks for electricity and natural gas, and Contractor is required to meet both benchmarks to be eligible for the performance incentive.

If the SEU implements energy efficiency programs that cause customers 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 kWh or therms as a result of the switch would 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 a 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 SEU energy efficiency program that causes customers 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<sup>8</sup> and U.S. Energy Information Agency data for the District of Columbia,<sup>9</sup> for the purposes of calculating the Societal Benefit Test.

This benchmark shall be revisited by the Contractor and DDOE within 9 months of the SEU becoming operational. The Contractor shall launch a detailed data collection and analysis, the elements of which would be agreed to and approved by DDOE (see section 3.2.1) to be completed within 9 months of the SEU becoming operational. With regard to this benchmark metric, the elements of this study should include, but not be limited to:

- 2.3.1.1.1 Economic growth estimates and other relevant economic analyses for the District.
- 2.3.1.1.2 Energy consumption forecasts for the District.
- 2.3.1.1.3 Identification of the relevant consumer aggregations (e.g., residential, low-income, commercial, etc.) and relevant energy use characteristics, including but not limited to current energy use, projected energy use, energy use history and past growth rate, metering, existing installed measures, building type, and heating and cooling energy source.
- 2.3.1.1.4 The potential pool of energy savings.
- 2.3.1.1.5 Identification of barriers to energy reduction efforts.

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<sup>8</sup> See [http://www.energystar.gov/ia/business/evaluate\\_performance/site\\_source.pdf](http://www.energystar.gov/ia/business/evaluate_performance/site_source.pdf)

<sup>9</sup> See [http://www.eia.doe.gov/states/state.html?q\\_state\\_a=dc&q\\_state=DISTRICT%20OF%20COLUMBIA](http://www.eia.doe.gov/states/state.html?q_state_a=dc&q_state=DISTRICT%20OF%20COLUMBIA)

### **2.3.1.2 Compensation Scheme**

The Contractor shall receive 25% of the compensation at risk allocated for this benchmark in Table 1 for a reduction in electricity consumption equivalent to 0.5% annual reduction in the weather-normalized total electricity consumption in the District for 2009. For every 0.25% reduction beyond the initial 0.5% reduction in electricity consumption, the Contractor shall receive an additional 12.5% of the incentive allocated to this benchmark.

The Contractor shall receive 25% of the compensation at risk allocated for this benchmark in Table 1 for a reduction in natural gas consumption equivalent to a 0.5% annual reduction in the weather-normalized total natural gas consumption in the District for 2009. For every 0.25% reduction beyond the initial 0.5% reduction in natural gas consumption, the Contractor shall receive an additional 12.5% of the incentive allocated to this benchmark. The total compensation for this benchmark is capped by the dollar amount specified in Table 1.

## **2.3.2 Increase Renewable Energy Generating Capacity in the District of Columbia**

### **2.3.2.1 Enumerated Benchmark**

On October 1, 2012, DDOE administrated renewable energy incentive program (“REIP”) is legislatively discontinued by the CAEA. At least one year before October 1, 2012, DDOE will advise the Contractor as to whether the SEU should design a replacement program that is similar to the REIP. Independent of a replacement program for REIP, the Contractor shall design and implement a cost-effective renewable energy program(s) for installations of renewable energy within the borders of the District.

### **2.3.2.2. Compensation Scheme**

For Year 2 of the SEU contract, the Contractor shall receive the compensation at risk allocated for this benchmark in Table 1 for designing and implementing at least one cost-effective renewable energy program. Beginning in Year 3 of the SEU contract, the Contractor shall receive 50% of the compensation at risk allocated for this benchmark in Table 1 for a 10% decrease in \$/kWh<sup>10</sup> of the first year of energy production of renewable energy installations incentivized by the renewable energy program(s), compared to the \$/kWh for the previous year. For every 5% decrease in \$/kWh beyond the initial 10% reduction, the Contractor shall receive an additional 25% of the incentive allocated to this benchmark. The total compensation for this benchmark is capped by the dollar amount specified in Table 1.

## **2.3.3 Reduce Growth of Peak Demand in the District of Columbia**

### **2.3.3.1 Enumerated Benchmark**

The SEU is not required to undertake any programs aimed exclusively at reducing the growth of peak demand. However, the SEU is required to estimate, using protocols developed by PJM for evaluating the capacity effects of energy efficiency

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<sup>10</sup> Energy production from non-electricity producing renewable energy calculations shall be converted to kWh.



projects for Base Residual Auction, the impact on peak demand of its energy efficiency programs. The forecast increase in electric demand in the District between July 2010 and July 2011 is 40.8 MW.

#### **2.3.3.2 Compensation Scheme**

For an annual reduction in peak demand of 2 MW, attributable to the SEU's renewable and energy efficiency programs, the Contractor shall receive 10% of the compensation at risk allocated for this benchmark in Table 1. For every 2 MW reduction beyond the initial 2 MW reduction, the Contractor shall receive an additional 10% of the compensation at risk allocated for this benchmark in Table 1. The total compensation for this benchmark is capped by the dollar amount specified in Table 1.

### **2.3.4 Improve the Energy Efficiency of Low-Income Housing in the District of Columbia**

#### **2.3.4.1 Enumerated Benchmark**

On an annual basis, a minimum of 30% of the SETF funds expended by the SEU shall be dedicated to improving the energy efficiency of low-income housing in all eight wards of the District. Programmatic, administrative, evaluation, and other expenses of the SEU for all of its programs shall be included in the denominator (the SEU's total expenditures) but not the numerator (the amount spent on low-income programs).

DDOE defines "low-income" as households earning 60% of state median income, or 200% of Federal Poverty Level, whichever is higher. Households will qualify at or below that level. Qualifying structures will have at least two-thirds of its units at this income level or lower. A building that contains many lower-income families, but less than two-thirds of the units in the building, may be included in a low-income housing program if approved by DDOE.

#### **2.3.4.2 Compensation Scheme**

The Contractor shall receive 50% of the compensation at risk allocated for this benchmark in Table 1 for annual expenditures, for programs targeted toward low-income residents in the District, that are the equivalent of 20% of the SEU's annual budget from the SETF. For every 5% in expenditures beyond 20% of the SEU's budget, the Contractor shall receive an additional 25% of the compensation at risk allocated for this benchmark in Table 1. The total compensation for this benchmark is capped by the dollar amount specified in Table 1.

### **2.3.5 Reduce the Growth of Energy Demand of the District of Columbia's Largest Energy Users**

#### **2.3.5.1 Enumerated Benchmark**

At this time, there is insufficient information to set a benchmark related to the growth of energy demand of the largest energy users. In order to define this

benchmark and specify the calculation of this benchmark, the Contractor shall launch a detailed data collection and analysis, the elements of which would be agreed to and approved by DDOE (see section 3.2.1). The study should be completed and a benchmark agreed to with DDOE within 9 months of the SEU becoming operational. With regard to this benchmark, the elements of this study should include, but not be limited to:

- 2.3.5.1.1 Economic growth estimates and other relevant economic analyses for the District.
- 2.3.5.1.2 Energy consumption forecasts for the District.
- 2.3.5.1.3 Identification of the largest users by name, location, square footage, current energy use, projected energy use, energy use history and past growth rate, how buildings are metered including number of buildings, building energy managers, and contact information.
- 2.3.5.1.4 Summary of energy management history including energy service companies (“ESCO”) or performance contracting used.
- 2.3.5.1.5 The potential pool of energy savings.
- 2.3.5.1.6 Identification of barriers to energy reduction efforts.
- 2.3.5.1.7 A separate report for Federal and District buildings, including all of the above elements and an assessment of possible partnership between the Federal government and District of Columbia.

### **2.3.5.2 Compensation Scheme**

The compensation scheme for this benchmark will be agreed upon by DDOE and the Contractor based on the results of the analysis described in section 2.3.5.1. The total compensation for this benchmark is capped by the dollar amount specified in Table 1.

## **2.3.6 Increase the Number of Green-Collar Jobs in the District of Columbia.**

### **2.3.6.1 Enumerated Benchmark**

The SEU shall ensure that at least 37.5 green jobs are created by the end of Year 1 of the SEU contract, at least 75 green jobs in Year 2, at least 87.5 green jobs in Year 3, and at least 100 green jobs per year thereafter. The following criteria will be used in the calculations of what constitutes a green job for the purposes of this benchmark. Every job created from SEU expenditures is a green job whether the job is on the payroll of the SEU or contracted out. Job-years (expressed as Full-Time Equivalents or FTEs) will be the standard of measurement. Only direct jobs are to be used in the green jobs calculation. Indirect (primarily suppliers to SEU contractors or subcontractors) and induced jobs (derived from a multiplier effect) are not counted.<sup>11</sup> A green job is further defined as being held by a District resident who is paid a living wage.<sup>12</sup> No distinction is required for new versus retained jobs.

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<sup>11</sup> For a more complete definition of indirect and induced jobs, see Executive Office of the President, Council of Economic Advisors, Estimates of job Creation from the American Recovery and Reinvestment Act of 2009, May 2009, p. 6

<sup>12</sup> The Living Wage Act of 2006 is Title I of the “Way to Work Amendment Act of 2006”, D.C. Law 16-118 (D.C. Official Code §2-220.01 to .11), which became effective June 8, 2006. See the following cite for details:

A tracking system shall be established by the Contractor to capture FTE green job-years. The implementation of this tracking system shall be a priority for the Contractor in the Year 1 of the SEU contract so that the data pertaining to green jobs is captured in a timely manner. The Contractor shall receive approval of DDOE prior to implementation of the tracking system. In addition to tracking FTE green jobs obtained by District residents as a result of SEU programs, the following supplemental information shall also be tracked:

**2.3.6.1.1 FTE Green Jobs**

2.3.6.1.1.1 Total numbers of FTE green jobs resulting from SEU expenditures, whether District residents are placed into those FTE green jobs or not.

2.3.6.1.1.2 The number of District residents placed into the FTE green jobs not earning a living wage.

2.3.6.1.1.3 The total number of FTE green jobs occupied by District residents earning a living wage.

**2.3.6.1.2 Contracting**

2.3.6.1.2.1 Total dollar amount of SEU contracts for the reporting period.

2.3.6.1.2.2 Proportion of SEU contracts that went to CBEs.

**2.3.6.1.3 Training**

2.3.6.1.3.1 Number of District residents placed into training slots as a direct result of SEU expenditures or other action.

2.3.6.1.3.2 Brief description of jobs that District residents were placed into resulting from training programs.

**2.3.6.1.4 Other Information**

2.3.6.1.4.1 Categorization of the types of jobs occupied by District residents.

2.3.6.1.4.2 Proportion of FTE green jobs that meet Davis-Bacon Wage Determinations.

2.3.6.1.4.3 Identification of the Ward that corresponds to the home address of District residents that occupy FTE green jobs.

**2.3.6.2 Compensation Scheme**

The compensation at risk is a sliding scale where the higher percent of District residents hired as a result of SEU activities, the higher the award. The Contractor shall receive 50% of the compensation at risk allocated for this benchmark in Table 1 for creating 80% of the number of green jobs specified in section 2.3.6.1. For every 10% extra number of jobs created by the SEU, the Contractor shall receive an additional 25% of the incentive allocated to this benchmark. For example, in Year 1, the SEU will receive 50% of the incentive for creating 30 jobs and 100% of the incentive for creating 37.5 jobs. The total compensation for the benchmark is capped by the dollar amount specified in Table 1.

Beginning in the second year of the SEU operation, a penalty of 50% of the incentive for this benchmark will be assessed on the base compensation of the SEU contract if the SEU fails to achieve a level of 51 percent of FTE green jobs created for District residents. After Year 2, the penalty will be assessed if the SEU fails to achieve a level of 60 percent in the Year 3, and 70 percent in the fourth and subsequent years.

## **2.4 Societal Benefit Test**

The Act requires the SEU energy efficiency program portfolio, as a whole, to pass the societal benefit test. 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. For the SEU the social discount rate will be set at the 10-year treasury rate as posted in the *Wall Street Journal* on the first business day in October of the year being evaluated. A societal benefit-to-cost ratio of 1.0 and greater is considered cost effective. Difficult to calculate benefits are expressed in % adders until greater refinement in calculating those benefits is achieved. Below are the factors in the SEU's societal benefits test. DDOE and Contractor may agree to modify benefits or costs or propose additional benefits or costs.

### **2.4.1 Societal Test Benefits**

- 2.4.1.1 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 price forecasts.
- 2.4.1.2 For electricity, transmission and distribution benefits including line losses and avoided transmission and distribution construction.
- 2.4.1.3 Natural gas capacity and local delivery benefits (if too costly to calculate, 5% adder to natural gas savings can be used instead).
- 2.4.1.4 Energy market price effects (reduction in wholesale price of electricity and natural gas due to reduced energy demand from wholesale energy markets).
- 2.4.1.5 Adder equal to 10% above benefits (2.4.1.1, 2.4.1.2, 2.4.1.3, and 2.4.1.4) recognizing the benefits of energy efficiency and conservation in addressing risk and uncertainty.
- 2.4.1.6 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 10% above benefits (2.4.1.1, 2.4.1.2, 2.4.1.3, and 2.4.1.4) may be used as alternative if calculating NEBs is excessively expensive.
- 2.4.1.7 Benefits from reducing environmental externalities including air and water pollution, greenhouse gas emissions, and cooling water use. To account for these benefits, a 10% adder may be applied to avoided demand and energy costs if calculating environmental externalities is excessively expensive.

## **2.4.2 Societal Test Costs**

- 2.4.2.1 SEU incentives paid to the participant.
- 2.4.2.2 Program and administrative costs.
- 2.4.2.3 Monitoring, evaluation, and other non-incentive costs.
- 2.4.2.4 Participant out-of-pocket costs after non-SEU 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 the prime rate posted in the *Wall Street Journal* on the first business day in October of the year the equipment is purchased.

### **3.0 STATEMENT OF WORK**

The Contractor shall undertake the following tasks in the execution of the SEU Contract:

#### **3.1 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 management; (4) dispute resolution; (5) information technology, data collection, and management; and (6) preparation and submission of required reports.

##### **3.1.1 Budgeting**

After contract negotiations and at the start of operations, a detailed first-year budget must be developed and provided to DDOE. This budget should include the following areas: (1) general administration and reporting; (2) management information system (“MIS”), information technology (“IT”) development and maintenance; (3) Green Energy DC marketing; (4) strategic planning analysis and program design; (5) energy efficiency and conservation program delivery, divided into residential and non-residential sectors; (6) customer-sited renewable energy service delivery, divided into residential and non-residential sectors; (7) any specific startup costs or costs related to the transition to a new Contractor; and (8) any other areas decided upon by DDOE and the Contractor.

##### **3.1.2 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. It 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 DDOE will have performed annually.

In order to receive payment, the Contractor shall prepare and submit detailed documentation and invoices for administrative, management, and program costs to the FA and DDOE for review. All invoicing data along with proper supporting documentation must be kept by the Contractor and made available to DDOE and the FA upon request.

##### **3.1.3 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.

##### **3.1.4 Dispute Resolution**

The Contractor shall develop protocols to track and resolve complaints about the Contractor, subcontractors, trade allies, and ICs and submit these protocols to DDOE within 90 days after SEU contract execution. The Contractor shall have 30 days to respond to complaints from, or disputes among, affected persons or entities.

### **3.1.5 MIS, Data Collection and Management, and Information Technology**

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 SEU 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 utilize necessary information for performing assessment tasks. Information in this system shall include, but not be limited to, tracking data on customers, 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 DDOE, the Board, or the FA.

The types of computer equipment, storage peripherals, communication devices, network equipment, software, printers and any other products necessary for SEU 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 systems developed by the Contractor should conform to established DDOE standards and information must be transferrable to DDOE for further analysis, maintenance, or archiving purposes.

#### **3.1.5.1 Managing Customer Data and Competitively Sensitive Information**

The Contractor shall not sell or otherwise disclose any customer or billing information to any third party without express written authorization from the customer. The Contractor shall be liable for damages to the customer for any unauthorized use of customer information or data, including the electric or gas utility company customer's name, account number, service address, billing address, phone number, and energy use data. 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 so that such information is protected and no IC is provided unfair competitive advantages.

#### **3.1.5.2 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.

## **3.2 Service Planning and Implementation**

The Contractor shall research, plan, manage, oversee, and implement services to meet performance benchmarks and other goals specified by DDOE.

### **3.2.1 Program Research and Design**

The Contractor shall have primary responsibility for the development and revision of its service offerings, including discontinuing existing services and offering new services,

when appropriate, in consultation with DDOE. After SEU contract execution, the Contractor shall undertake a comprehensive strategic planning analysis (“Analysis”) to support program planning for the SEU contract. The Contractor shall utilize existing resources when available and shall conduct original basic research with approval from DDOE. The Analysis shall include:

- Demographic data and forecasts for the District’s electricity and natural gas end-users;
- Economic growth estimates and other relevant economic analyses for the District;
- Energy consumption forecasts for the District;
- Energy profiles of the District’s electricity end-users and natural gas end-users;
- Assessments of the technical potential for energy efficiency and customer-sited renewable energy in the District;
- Trend analyses in regional energy efficiency and renewable energy;
- Market assessments shall include a characterization or description of the specific market or market segments, including a description of the types and number of buyers and sellers in the market, the key actors that influence the market, the type and number of transactions that occur on an annual basis, and the extent to which market participants consider energy efficiency as an important part of these transactions. The assessment may also include an analysis of whether a market has been sufficiently transformed to justify a reduction or elimination of specific market interventions. An example of a market assessment effort is a baseline study or the characterization of a market before the commencement of a specific intervention, for the purpose of guiding the intervention and/or assessing its effectiveness later. Another example of a market assessment is an appliance saturation survey;
- An analysis of how all rate classes and important energy end-user demographic sectors (e.g., low- and moderate-income residents) are being served by the SEU and other energy programs; and
- Identification of specific energy efficiency measures that are eligible to be bid into PJM’s capacity market construct, the Reliability Pricing Model (“RPM”), and an analysis of the potential net benefits of the SEU bidding those energy efficiency measures into the RPM.<sup>13</sup>

Using the results from this Analysis, 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 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 performance benchmarks and incentives as well as the long-term goals of Green Energy DC. Updates and revisions to the Analysis shall be conducted by the Contractor on an

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<sup>13</sup> Market rules for bidding energy efficiency resources in the RPM can be found in PJM Manual 18 B. See <http://www.pjm.com/documents/manuals.aspx>



annual or on-going basis as informed by programs evaluations and the Annual Plan (see section 3.5).

### **3.2.2 Coordination With Existing and Temporary Energy Efficiency Programs**

The electric company (Pepco) and DDOE are currently administering energy efficiency programs that will continue until the end of the 2011 fiscal year for DDOE programs and the end of 2010 fiscal year for Pepco, when the funding for the programs authorized by the CAEA ends. Upon SEU contract execution, the Contractor shall plan and coordinate with DDOE for the termination of their programs and the possible continuation of certain elements of the existing and temporary programs.

#### **3.2.2.1 Programs Administered by DDOE**

Eight programs are currently administered by DDOE with funding from the Sustainable Energy Trust Fund. For more information on these programs, see [www.green.dc.gov](http://www.green.dc.gov) or call (202) 535-2600. With the exception of Saving Energy in D.C. Schools Program and the Renewable Energy Incentives Program, DDOE's programs are residential energy efficiency programs.

#### **3.2.2.2 Programs Administered by Pepco**

Five programs are currently administered by Pepco with funding from the Sustainable Energy Trust Fund. For more information on Pepco's energy efficiency programs, see <http://www.pepco.com/energy/conservation/dcprogram/> and [www.pepco.com/business/services/programs/overview/](http://www.pepco.com/business/services/programs/overview/).

### **3.2.3 Program Implementation and Delivery**

The Contractor may utilize a variety and combination of program delivery strategies. Bidders are encouraged to accomplish program delivery via competitively-selected Implementation Contractors. DDOE will also consider bids where 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.

#### **3.2.3.1 IC RFPs**

The Contractor shall develop RFPs for Implementation Contracts in consideration of 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 DDOE, to guide the execution of IC RFPs. Fair bid solicitation and selection processes will be of particular concern to DDOE. 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. RFPs for competitively bid Implementation Contracts may include provisions for performance-based incentives to ensure that program targets are achieved or exceeded. Following are broad categorizations of IC RFPs, identified by DDOE, which the Contractor may use:

#### **3.2.3.1.1 Open IC RFPs**

Open IC RFPs require ICs to enter into contracts with the Contractor to provide services to customers of Green Energy DC 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' customers to be eligible to receive a Green Energy DC incentive.

#### **3.2.3.1.2 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.

#### **3.2.3.1.3 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.

#### **3.2.3.2 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 and require fair employment practices. In addition, RFPs to select ICs must provide a preference for CBEs that allows the Contractor to meet the following minimum requirements:

3.2.3.2.1 By the end of the first year of the SEU contract, a minimum of 35% of the dollar volume of Implementation Contracts (including subcontracts that are part of any teaming arrangement in an RFP bid) must be attributable to contracts with CBEs.

3.2.3.2.2 By the end of the second year of the SEU contract, a minimum of 50% of the dollar volume of Implementation Contracts must be attributable to contracts with CBEs.

3.2.3.2.3 In subsequent years of the SEU contract, a minimum of 50% of the dollar volume of Implementation Contracts must be attributable to contracts with CBEs.

#### **3.2.3.3 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.

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.

#### **3.2.4 Qualification and Certification of SEU's and IC's Workforce**

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

#### **3.2.5 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/SEU 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; 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.

#### **3.2.6 Program Marketing and Consumer Education**

The Contractor shall develop and implement a public and consumer information strategy to: (1) promote customer participation in and market awareness of SEU 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 SEU 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 DDOE, the Contractor may coordinate marketing and educational initiatives with private entities operating sustainable energy programs in adjacent or nearby jurisdictions.

DDOE is responsible for maintaining the web portal, [www.green.dc.gov](http://www.green.dc.gov). The Contractor shall develop and maintain all website content for SEU activities. The Contractor will coordinate with DDOE on the SEU website's content interface with [www.green.dc.gov](http://www.green.dc.gov).

### **3.3 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 DDOE will jointly develop standard formats for each report after execution of the SEU 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.

#### **3.3.1 Monthly Reports**

The Contractor shall prepare and submit Monthly Reports to DDOE. 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 SEU's overall targets and are considered to be activity monitoring reports.

#### **3.3.2 Quarterly Reports**

The Contractor will prepare and submit Quarterly Reports to DDOE. 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) an SEU balance sheet; (3) a report of progress made towards achieving energy savings and customer-sited renewables targets, and other agreed-upon indicators of performance; (4) a summary of activity highlights for the quarter; (5) a summary of any significant implementation issues and changes or anticipated changes in implementation strategies and services; (6) a quarterly total (retained and created) hires (in FTEs) by the Contractor and ICs attributable to SEU 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<sup>14</sup> for the quarter

#### **3.3.3 Annual Reports**

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<sup>14</sup> The First Source Agreement Program Compliance Report can be found at <http://does.dc.gov/does/cwp/view,a,1232,q,537680.asp>

The Contractor will prepare and submit Annual Reports to DDOE. Annual Reports shall include: (1) actual expenditures for administrative, information technology, and natural gas and electricity-related program expenditures, service delivery costs, compared to the annual component of the approved budget; (2) a detailed financial report for the SEU (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) a report of progress toward achieving targets and other agreed-upon indicators of performance; (5) annual savings and customer-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 SEU 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.

#### **3.3.4 Information Requests**

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

### **3.4 Evaluation, Measurement, and Verification**

The Contractor must cooperate fully with DDOE-funded independent reviews of contractor performance. Within nine months of SEU contract execution, the Contractor must develop data collection protocols, approved by DDOE, that facilitate the evaluation, measurement, and verification ("EM&V") of the energy saved by the SEU's programs. Each SEU program approved by DDOE shall include an EM&V plan that details monitoring and data collection activities. 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.<sup>15</sup>

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,<sup>16</sup> as the basis for the SEU's TRM. The Contractor shall coordinate the development of its TRM with the standards adopted by the PACE program described in Section 3.6.1. When available, and in consultation with DDOE, the Contractor may use other relevant resources and regional databases to develop and update the SEU's TRM.

### **3.5 Annual Plan**

The Contractor shall issue an Annual Plan to DDOE. 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 SEU 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 SEU's program design strategies, service offerings, emerging markets initiatives, and other planned implementation

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<sup>15</sup> 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>

<sup>16</sup> See <http://neep.org/emv-forum/forum-products-and-guidelines>

activities, including competitive solicitations, for the following year in the Annual Plan. DDOE, in consultation with the Board and the Contractor, will additionally use the Annual Plan to make any adjustments to performance benchmarks and to recommend further policy initiatives for consideration by District Council. The Annual Plan shall be completed ninety days prior to the end of the contract year in order to facilitate any necessary programmatic or other changes in the SEU activities in the following year. The first Annual Plan will be due 21 months after SEU contract execution.

### **3.6 Identify and Leverage Additional Funding for the SEU**

The Contractor shall identify and assess additional funding opportunities for the SEU. With approval of DDOE or at the direction of DDOE, the SEU may apply for federal grants and private grant opportunities. Revenues to the SEU from such funding opportunities shall not cause adjustment to the performance benchmarks and incentives identified in section 2.0. In addition, the Contractor shall maximize and/or leverage revenue from the following sources:

#### **3.6.1 Property Assessed Clean Energy Program and Other Financing Mechanisms**

The Energy Efficiency Financing Act of 2010 creates a Property Assessed Clean Energy (“PACE”) Program to provide funding for the initial installation of energy efficiency and renewable energy retrofits and improvements District (Bill 15-850). This program will be marketed as a Green Energy DC program and may be administered by the Contractor as part of the SEU contract in the future. In the strategic planning analysis (see section 3.2.1), the Contractor shall identify how the SEU can leverage the funding from PACE to benefit SEU programs. In addition, the Contractor shall evaluate financing options other than the PACE program in the strategic planning analysis.

Under the direction of DDOE, the Contractor shall collaborate with the administrator of the PACE program to assess possible coordination of activities such as marketing, workforce development, EM&V, and participation in the PJM capacity market.

#### **3.6.2 PJM Capacity Market**

The Contractor shall maximize any revenue or programmatic savings available from certain energy efficiency measures in SEU programs that are eligible to be a Capacity Credit under the PJM Reliability Assurance Agreement. In strategic planning analysis (see section 3.2.1), the Contractor shall identify program measures that may be bid into the RPM and estimate the potential revenue to the SEU from bidding the capacity related to these program measures in the RPM.<sup>17</sup> The Analysis shall additionally assess alternative methods that the SEU may benefit from PJM’s 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 DDOE, the Contractor shall coordinate with the administrator of the PACE program on the bidding of eligible energy resources from the SEU and PACE into

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<sup>17</sup> For more information on how energy efficiency may bid into PJM’s RPM see <http://www.pjm.com/markets-and-operations/~media/markets-ops/rpm/20090406-dr-ee-in-rpm-collateral.ashx> and PJM Manual 18 B at <http://www.pjm.com/documents/manuals.aspx>

the RPM. The Contractor shall also collaborate with the administrator of the PACE program on the potential benefits of coordinating EM&V, activities as directed by DDOE.

### **3.6.3 Renewable Energy Certificates**

In the strategic planning analysis (see section 3.2.1), the Contractor shall evaluate any potential revenues available to the SEU from obtaining Renewable Energy Certificates (“RECs”) and/or Solar Renewable Energy Certificates (“SRECs”) on behalf of District-based renewable energy generators.

## **4.0 EVALUATION, MEASUREMENT, AND VERIFICATION**

### **4.1 Evaluation, Measurement, And Verification of SEU Activities by DDOE**

DDOE will direct the FA to hold in reserve up to 8% of annual SETF funding for the SEU contract to pay for EM&V of the SEU. The Act requires DDOE to commission an annual independent review of the performance and expenditures of the SEU and report the results of this review to the Board and District Council within 6 months of the conclusion of each year of the SEU contract. The law also allows up to \$100,000 of SETF funds to be used for the independent review. DDOE considers this independent review to be an audit of SEU activities and not part of EM&V.

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

#### **4.1.1 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.

#### **4.1.2 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.

### **4.2 EM&V Protocols**

The SEU, in consultation with DDOE, shall develop EM&V protocols. For the development of these protocols, the SEU shall rely heavily on regional and national efforts to standardize EM&V protocols, methods, and assumptions. In particular, the SEU may base EM&V protocols on the products developed by the NEEP EM&V Forum.<sup>18</sup>

### **4.3 Contractor’s Role in EM&V**

As described in section 3.4, the Contractor shall include an EM&V plan that details monitoring and data collection activities for each SEU program approved by DDOE. 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 DDOE-funded independent reviews of contractor performance. The SEU, in consultation with DDOE, will develop EM&V protocols. The Contractor shall develop and continually update a TRM so that it contains current documentation on all measure and program assumptions. The Contractor shall use the results of EM&V in the strategic planning analysis (see section 3.2.1). DDOE may require the Contractor to participate in the NEEP EM&V Forum.

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<sup>18</sup> See <http://neep.org/emv-forum/forum-products-and-guidelines>



## **5.0 CONTRACTOR COMPENSATION**

The compensation of 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:

- A fixed portion and
- An at-risk portion which is subject to the conditions outlined in Section 2.0 of this RFP.

The size of the fee and the split between the fixed fee and the compensation at risk is subject to negotiation between DDOE and the Contractor.

The Contractor shall be compensated for reasonable and appropriate services provided and expenses incurred in order to perform the Statement of Work. Compensation for such services and expenses shall be based on the Contractor's actual costs incurred and services rendered.

Only costs, determined in writing to be reimbursable in accordance with the cost principles set forth in rules issued pursuant to Title VI of the D.C. Procurement Practices Act of 1985, shall be reimbursable.

## **6.0 RESPONSE FORMAT AND PROPOSAL REQUIREMENTS**

Bidders 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 bidder's approach and capabilities for satisfying the required services outlined in this RFP. Bidders should address any and all anticipated difficulties and/or problem areas along with potential approaches to their resolution.

### **6.1 Organizational and Management Capability**

Bidders are required to demonstrate the capability of their company/organization to perform the services described in this RFP. Two or more companies/organizations may team up on one bid.

#### **6.1.1 Bidder Qualifications and Experience**

Bidders shall describe their firm and/or team's experience and capabilities in program design, market research, managing multiple implementation contracts, planning and administering energy services, delivering and implementing energy services, establishing data collection protocols, maintaining a TRM, bidding energy efficiency into capacity markets, leveraging PACE programs, and coordinating a transition to a new Contractor.

#### **6.1.2 Qualifications and Experience of Key Contractor Personnel**

Bidders shall identify Key Contractor Personnel to be assigned to this project, describe their primary responsibilities in regards 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.

#### **6.1.3 Client References**

Bidders shall provide 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 bidder is forming a new organization to bid on this proposal, the bidder should provide relevant references for Key Contractor Personnel.

#### **6.1.4 Financial Information Requirements**

Bidders shall demonstrate that they have 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 a bidder is forming a new organization to bid on this proposal, the bidder should provide comparable documents from investors, partners, and/or principals.

#### **6.1.5 Management Structure**

In this section, bidders 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 a bidder for operation of the SEU, that structure should be described fully and clearly.

#### **6.1.6 Certified Business Enterprises and First Source Agreement Program**

Bidders 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 the District's First Source Agreement Program.

### **6.2 Proposed Budget**

Bidders shall propose a budget for the first two years of the SEU contract. Bidders should assume that statutory funding levels of \$7.5 million for 1st year and \$15 million for the 2nd year are available. Bidders should further assume that the costs related to the independent audit, EM&V, and funds set aside for a performance incentive need to be subtracted from the authorized funding levels. Bidders shall include the following subcategories in their proposed budget:

#### **6.2.1 General Administration**

Bidders shall propose a general administration budget for the first two years of the SEU contract. The purpose of this subsection is to provide a basis for DDOE to evaluate bidders' budgeting capabilities and to clearly identify the portion of the SEU budget allocated to General Administration.

#### **6.2.2 IT Development and Maintenance**

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

#### **6.2.3 Management Information System**

Bidders shall propose a budget for the first two years of the SEU Contract to develop a MIS to manage data including, but not be limited to, tracking data on customers, program services, ICs, general program operation, and financial and management data.

#### **6.2.4 Green Energy DC Marketing**

Bidders shall propose a marketing/consumer education budget for the first two years of the SEU contract.

#### **6.2.5 Strategic Planning Analysis and Program Design**

Bidders shall propose a budget for the first two years of the SEU contract for the activities described in 3.2.1. Bidders should identify costs they consider first year or start-up costs.

#### **6.2.6 Energy Efficiency Program Delivery**

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

### **6.2.7 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 SEU Contract. Bidders shall divide this budget into residential and non-residential sectors.

## **6.3 Proposed Green Energy DC Program Portfolio**

### **6.3.1 Programs in First Year of Contract**

Bidders shall propose a portfolio of programs, for the first year of the SEU contract that can be fully functioning within 120 days of SEU contract execution. Bidders shall propose a subset of programs that begin operation within 60 days of contract execution, a second subset of programs that begin within 90 days of contract execution, and a third subset of programs that begin within 120 days of contract execution. Bidders should consider the programs identified in 3.2.2.1 and 3.2.2.2 for their proposed portfolio for the first years of the SEU contract. Bidders shall assume that the budget for the first year is as identified in section 6.2.

### **6.3.2 Long-Term Portfolio Strategy**

Bidders shall propose a portfolio of programs for Green Energy DC over the seven (7) year SEU contract period. The intent of this section is not to solicit a fully developed program portfolio, but rather it is an opportunity for the bidder to demonstrate their experience in program design, comprehension of the goals of Green Energy DC, and to highlight innovative program designs and market transformation strategies that are particularly appropriate for the District energy users. In addition, bidders should highlight program designs that address market segments such as rental properties that are often underserved by energy efficiency and renewable energy programs. Descriptions of proposed programs should be brief with the exception of any innovative program designs.

## **6.4 Program Implementation and Delivery Strategy**

Bidders shall propose their program implementation and delivery strategy 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.

## **6.5 Marketing and Consumer Information Strategy**

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

## **6.6 Performance Benchmark and Incentives**

Bidders shall describe their strategy to satisfy performance benchmarks and earn performance incentives. In their responses, bidders shall detail any experience with similar performance

structures. DDOE is particularly interested in bidders' experiences in encouraging local workforce development and participation through performance benchmarks and incentives. The Contractor may also propose alternatives or modifications to the performance incentives described in section 2.

## 7.0 PROPOSAL EVALUATION

### 7.1 Selection Process

Bidder proposals will be initially evaluated by an RFP Screening Committee ("Committee") consisting of DDOE personnel and other public or private individuals chosen by DDOE. The Committee will score and rank bidder proposals using a point system for each criterion listed in the table in section 7.2. Each proposal will be scored individually. Once the proposals are evaluated, the Committee will interview up to five bidders with the highest ranking scores. Interviews will focus on and assess each bidder's ability to perform the tasks outlined in their proposals.

Based on the interview/oral presentation, the Committee may revise their ranking of the proposals. The Committee will submit its review to DDOE with a recommendation on the candidates. The Committee's recommendation will not be binding on DDOE.

DDOE will review the Committee's recommendations and may, at its sole discretion, choose to further review and evaluate any and/or all bidder proposals before making the final decision or make no decision and rebid the same RFP or an amended RFP.

### 7.2 Evaluation Criteria

The RFP Screening Committee and DDOE will base their evaluation of bids on the following evaluation criteria:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>
<b>1. Organizational and Management Capability</b>	<b>30</b>
– Bidder qualifications and experience in program design, innovative program development, and portfolio development	
– Qualifications and experience of Key Contractor Personnel	
– SEU staffing plan	
– Data collection protocols, budgeting and financial management, and IT budget and proposal	
<b>2. Proposed Green Energy DC Program Portfolio and Program Delivery</b>	<b>40</b>
– Achievement of Performance Benchmarks	
– Quantity of stated energy savings	
– Probability of achieving or exceeding stated energy savings and renewable energy development benchmarks	
– Innovative program proposals	
– Programs targeting difficult-to-serve market segments and market segments that face significant barriers to participation	
– Programs targeting lost-opportunities and market transformation	
– Green job creation in the District	
<b>3. Marketing and Consumer Information Strategy</b>	<b>15</b>
– Experience with successful approaches	

– Innovative proposals	
– Strategy for hard-to-reach market segments	
<b>4. Local Resources</b>	<b>15</b>
– 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	
<b>Total Points Available</b>	<b>100</b>

### 7.3 Bonus Evaluation Criteria

The following evaluation criteria, which are different types of CBEs certified by DSLBD, will provide bonus points to a bidder’s proposal score received in the evaluation in section 7.2. The maximum total bonus awarded from the below criteria is twelve (12) points. When DSLBD certifies a joint venture,<sup>19</sup> the certified joint venture will be considered a prime contractor for the purposes of the bonus criteria below.

7.3.1 Any prime contractor that is a small business enterprise certified by the DSLBD will receive a bonus of three points.

7.3.2 Any prime contractor that is a resident-owned business certified by DSLBD will receive a bonus of five points.

7.3.3 Any prime contractor that is a longtime resident business certified by DSLBD will receive a bonus of ten points.

7.3.4 Any prime contractor that is a local business enterprise certified by DSLBD will receive a bonus of two points.

7.3.5 Any prime contractor that is a local business enterprise with its principal offices locates in an enterprise zone certified by DSLBD will receive a bonus of two points.

7.3.6 Any prime contractor that is a disadvantaged business enterprise certified by DSLBD will receive a bonus of two points

<sup>19</sup> For more information, see <http://dslbd.dc.gov/olbd/site/default.asp?olbdNav=1>

## **8.0 INSTRUCTIONS FOR BIDDERS AND RFP RULES**

### **8.1 Schedule**

Important dates for this solicitation are listed below.

RFP Released on	July 2, 2010
Pre-Proposal Conference	July 19, 2010
Questions Submitted	July 30, 2010
Questions Answered	August 6, 2010
Statement of Intent	August 10, 2010
RFP Response Due Date	September 1, 2010
Bidder Presentations	September 15 to September 17, 2010
Contract Negotiations	October 4, 2010 to October 15, 2010
Contract Execution	by November 8, 2010

### **8.2 Statement of Intent to Respond**

All that intend to respond to the RFP should submit the “Intent to Respond” form below by August 10, 2010. The Intent to Respond form is not mandatory but will be useful for DDOE to gauge the potential number of RFP respondents.

### **8.3 Pre-Proposal Conference**

A Pre-Proposal Conference to discuss the contents of this solicitation and other pertinent matters will be held at DDOE, 9:30AM to 12:30PM Eastern Standard Time, on July 19, 2010 at:

The District Department of the Environment  
1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, DC 20002

A call-in number will be provided for those who cannot attend the conference in person. Prospective Bidders 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 DDOE to accept questions from Bidders on the solicitation document as well as to clarify the contents of the solicitation. Attending Bidders must complete the Pre-Proposal Conference Attendance Roster at the conference so that Bidders’ attendance can be properly recorded. Impromptu questions will be permitted and spontaneous answers will be provided at DDOE’s discretion. Verbal answers given at the Pre-Proposal Conference are only intended for general discussion and do not represent DDOE’s final position.

### **8.4 Questions about the Solicitation**

Bidders may ask questions in writing or by email until July 30, 2010. Questions should be addressed to the Dr. Taresa Lawrence as shown in section 8.5 below. Responses will be provided by August 6, 2010. DDOE response to each question will be compiled into one document listing questions and answers. DDOE will send this completed question and answer document to all persons and organizations who have submitted “Intent to Respond” forms.



DDOE will also post the question and answer document at [www.greenenergy.dc.gov](http://www.greenenergy.dc.gov).

## **8.5 Proposal Submission**

Applications must be submitted to DDOE no later than 5:00 PM, local time, on September 1, 2010. A complete proposal submission shall consist of the following:

- one original
- 8 copies of the written proposals, and
- 2 soft copies on compact disc or flash drives.

Proposals shall be submitted to:

Dr. Taresa Lawrence  
District Department of the Environment  
1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, DC 20002

### **8.5.1 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 Bidder can furnish evidence from the postal authorities of timely mailing.

### **8.5.2 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:

8.5.2.1 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;

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

8.5.2.3 The proposal is the only proposal received.

### **8.5.3 Withdrawal or Modification of Proposals**

A Bidder 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.

#### **8.5.4 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.

#### **8.5.5 Proprietary Information**

By submitting a proposal, Bidders shall be deemed to have granted permission to DDOE to make inquiries concerning the respondent and its officers and to any persons or firms deemed appropriate by DDOE. Any proprietary information that the contractor 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 DDOE solely for the purpose of evaluation and contract negotiations.

Bidders 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." Bidders shall also mark each sheet of data it wishes to restrict to 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 this Bidder as a result of or in connection with the submission of this data, DDOE will have the right to duplicate, use, or disclose the data to the extent consistent with DDOE's needs in this procurement process. This restriction does not limit DDOE's rights to use, without restriction, information contained in this proposal if it is obtained from another source.

#### **8.5.5 Copy of Proposal for Freedom of Information Act Requests**

In addition to other proposal submission requirements, the Bidder must submit an electronic copy of its proposal, redacted in accordance with any applicable exemptions from disclosure in D.C. Official Code §2-534, in order for the District to comply with §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 §2-534(a)(1).

#### **8.5.6 Concise Proposals**

DDOE discourages overly lengthy and costly proposals. It is the desire 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. DDOE's interest is in the quality and responsiveness of the proposal.

#### **8.5.7 Realistic Proposals**

It is the expectation of DDOE that bidders 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. DDOE shall

bear no responsibility or increase obligation for a bidder's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

### **8.6 Retention of Proposals**

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

### **8.7 Proposal Costs**

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

### **8.7 Non-Conforming Proposals**

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

### **8.8 Right to Reject Proposals**

DDOE 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 DDOE's specifications or bidder'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.

### **8.9 Right to Cancel the Solicitation**

DDOE reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. DDOE 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 DDOE. A bidder's participation in this process may result in DDOE selecting the bidder's organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by DDOE to execute a contract nor to continue negotiations. DDOE may terminate negotiations at any time and for any reason, or for no reason.

### **8.10 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 DDOE and be responsible for the joint venture's performance under the contract, including all project management, legal, and financial responsibility for the implementation of all sub-contractor's systems. 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, subcontractor or its sub-subcontractor. Joint ventures and teaming arrangements must be a consolidated response with all cost included in the cost summary.

### **8.10.1 Prime Contractor**

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

### **8.10.2 Sub-Contractors**

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

### **8.10.3 Multiple Proposals**

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

## **8.11 Representations, Certifications, and Other Statements of Bidders**

### **8.11.1 Signing of Proposals**

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

### **8.11.2 Legal Status of Bidder**

Each proposal must provide the following information: name, address, telephone number and federal tax identification number of Bidder. On the signature page of their proposal, the Bidder 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 Bidder is a partnership or joint venture, the names and addresses of the general partners or individual members of the joint venture, and copies of any joint venture or teaming agreements.

### **8.11.3 Certification of Eligibility**

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

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

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

8.11.3.4 does not have a proposed debarment pending; and

8.11.3.5 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.

Bidders shall indicate any exception to its certification of eligibility and to whom it applies, their position in the Bidder'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 Bidder. Providing false information may result in criminal prosecution or administrative sanctions.

#### **8.11.4 Authorized Negotiators**

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

### **8.12 Bidder Presentations and Negotiations**

Up to five proposals may be selected for an interview and the Bidder 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. DDOE will conduct negotiations with selected Bidder for final contract terms and conditions.

### **8.13 Award of Contract**

The final award of a contract is subject to approval by DDOE. DDOE has the sole right to select the successful Bidder 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 a Bidder of the acceptance of its proposal by DDOE and the subsequent full execution of a written contract will constitute a contract, and no bidder will acquire any legal or equitable rights or privileges until the occurrence of both such events.

## **9.0 MODEL CONTRACT TERMS AND CONDITIONS**

### **9.1 Definitions & Acronyms**

#### **9.1.1 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 Bidder; (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 Bidder.

“Capacity Credit” is entitlement to a specified number of 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.

“District” means the District of Columbia.

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

“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 customer 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 consumer 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 incentive, generally monetary, to encourage the customer to participate in the program. An incentive is intended to overcome one or more barriers that keep the customer 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, state, utilities, and private foundation sources.

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

“Full-Time Equivalents (“FTE”)” means a total of 2,080 labor hours worked in support of the contract, and equals one full-time equivalent of a year-round job.

“Green Energy DC” is the brand name established by DDOE under which sustainable energy programs will be operated.

“Green Job” or “Green-Collar Job” means any SEU expenditures that, directly or through contracting, create a job at, or above, a Living Wage.

“Implementation Contractor” (“IC”) means any entity competitively contracted by, or in a teaming agreement with, the SEU to implement or deliver specific programs and services.

“Key Contractor Personnel” are the personnel identified in the SEU contract that have responsibility and accountability for the provision of services under the SEU contract. Key Contractor Personnel manage the core operations of the SEU. Examples of potential Key Contractor Personnel include program administrator, project managers/directors, director of marketing, and planning manager/director.

“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 16-18, (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 customer 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.

“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 SEU contract.

“PJM Capacity Market” is the general term for the rules and market constructs to ensure that there are adequate resources to reliably meet the 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 consumer 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 customer to participate in the program. An incentive is intended to overcome one or more barriers that keep the customer from installing renewable energy on their own.

“Sustainable energy programs” means energy efficiency and renewable energy programs.

“Sustainable Energy Utility” is the private Contractor selected by the Mayor, by and through DDOE, to develop, coordinate, and provide programs for the purpose of promoting the use of sustainable energy in the District of Columbia.

“Sustainable Energy Utility Advisory Board” (“Board”) is comprised of 13 members as designated in Section 203 of the CAEA. The current composition of the Board can be seen at [www.greenenergy.dc.gov](http://www.greenenergy.dc.gov). Duties and responsibilities of the Board include provide advice, comments, and recommendations to DDOE and District Council, regarding the procurement and administration of the SEU contract; recommend performance benchmarks; comment on SEU RFPs; meet quarterly with representatives from the SEU to monitor SEU programs and Contractor performance; report on the progress of the SEU to the District Council and public annually, with the first report being due 30 days after the conclusion of the 1<sup>st</sup> year of the SEU contract; and convene any subcommittees and working groups it considers appropriate without any limitation as to the membership of such groups.

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

### **9.1.2 Acronyms**

CAEA	Clean and Affordable Energy Act of 2008, D.C. Code §8-1773.01 <i>et seq.</i>
CBE	Certified Business Enterprises
CBO	Community-Based Organizations
CO	Contracting Officer
DDOE	District Department of Environment
DOES	District Department of Employment Services
DSLBD	District Department of Small and Local Business Development’s
EM&V	Evaluation, Measurement, & Verification



ESCO	Energy Service Companies
FA	Fiscal Agent
FTE	Full-Time Equivalents
GAAP	Generally Accepted Accounting Principles
IC	SEU 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
PACE	Property Assessed Clean Energy
PJM	PJM Interconnection, a regional transmission organization.
REC	Renewable Energy Certificates
REIP	Renewable Energy Incentive Program
RPM	Reliability Pricing Model
RPS	Renewable Portfolio Standard
SETF	Sustainable Energy Trust Fund
SEU	Sustainable Energy Utility
SREC	Solar Renewable Energy Certificates
TRM	Technical Reference Manual

## **9.2 Term of Contract**

The Contractor will provide the full scope of services described within this document for a base period ending on September 30, 2011, renewable annually thereafter for six more years, at a minimum.

## **9.3 Annual Appropriation of Funds**

DDOE'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 DDOE for the payment of any money shall exist only after such annual appropriation shall have been provided. 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 this contract. The effect of termination is to discharge both DDOE and the Contractor from future performance of the contract, but not from the existing obligations.

## **9.4 Compensation, Payment and Performance Provisions**

DDOE shall compensate the Contractor for satisfactory performance of this Agreement as follows:

### **9.4.1 Total Compensation**

The total compensation amount for all eligible costs, expenses and performance incentives under this Agreement may not exceed the maximum amount of \$7.5 million for the period of November 8, 2010 through September 30, 2011.

### **9.4.2 Eligible Costs and Expenses**

The Contractor shall be compensated for reasonable and appropriate services provided and expenses incurred in order to perform the Statement of Work. Compensation for such services and expenses shall be based on the Contractor's actual costs incurred throughout the term of this Agreement.

### **9.4.3 Performance Benchmark and Incentives**

This section describes the minimum performance requirements, performance benchmarks, and incentives that apply to this Agreement. DDOE will evaluate Contractor performance and offer incentives based on the following series of activity milestones. These activity milestones represent important steps in the establishment of SEU operations:

- 9.4.3.1 Deployment of all components of management information systems and information technology systems;
- 9.4.3.2 Completion of consumer education and marketing plan;
- 9.4.3.3 Completion of strategic market analysis and program design;
- 9.4.3.4 Development of IC qualification and certification criteria;
- 9.4.3.5 Delivery of training sessions for ICs and trade allies; and
- 9.4.3.6 Implementation of all first-year programs proposed by Bidder in response to section 6.3.1 within 120 days of contract execution.

The Contractor shall be eligible to receive a performance incentive for the first year of the SEU contract for meeting each of the milestones enumerated in 9.4.3.1 to 9.4.3.6. The incentive for each individual milestone is capped at \$40,000 and the overall cap for meeting all six milestones is \$240,000. DDOE, with advice from the Board, shall determine the Contractor's eligibility for the performance incentives enumerated above as well as the performance incentive described below in this section on the SEU creating Green Jobs within 90 days after completion of the first year of the SEU contract. Payment of incentives awards is subject to section 9.3, Annual Appropriation of Funds. Bidders may propose an alternative incentive structure.

The SEU shall ensure that at least 37.5 green jobs are created by the end of Year 1 of the SEU contract, at least 75 green jobs in Year 2, at least 87.5 green jobs in Year 3, and at least 100 green jobs per year thereafter. The following criteria will be used in the calculations of what constitutes a green job for the purposes of this benchmark. Every job created from SEU expenditures is a green job whether the job is on the payroll of the SEU or contracted out. Job-years (expressed as Full-Time Equivalents or FTEs) will be the standard of measurement. Only direct jobs are to be used in the green jobs calculation. Indirect (primarily suppliers to SEU contractors or subcontractors) and induced jobs (derived from a multiplier effect) are not counted. A green job is further defined as being held by a District resident who is paid a living wage.<sup>20</sup> No distinction is required for new versus retained jobs.

A tracking system shall be established by the Contractor to capture FTE green job-years. The implementation of this tracking system shall be a priority for the Contractor in the Year 1 of the SEU contract so that the data pertaining to green jobs is captured in a timely

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<sup>20</sup> The Living Wage Act of 2006 is Title I of the "Way to Work Amendment Act of 2006", D.C. Law 16-118 (D.C. Official Code §2-220.01 to .11), which became effective June 8, 2006. See the following cite for details: <http://www.does.dc.gov/does/cwp/view,a,1233,q,636800,doesNav,%7C32064%7C.asp>

manner. The Contractor shall receive approval of DDOE prior to implementation of the tracking system. In addition to tracking FTE green jobs obtained by District residents as a result of SEU programs, the following supplemental information shall also be tracked:

**9.4.3.7 FTE Green Jobs**

9.4.3.7.1 Total numbers of FTE green jobs resulting from SEU expenditures, whether District residents are placed into those FTE green jobs or not.

9.4.3.7.2 The number of District residents placed into the FTE green jobs not earning a living wage.

9.4.3.7.3 The total number of FTE green jobs occupied by District residents earning a living wage.

**9.4.3.8 Contracting**

9.4.3.8.1 Total dollar amount of SEU contracts for the reporting period.

9.4.3.8.2 Proportion of SEU contracts that went to CBEs.

**9.4.3.9 Training**

9.4.3.9.1 Number of District residents placed into training slots as a direct result of SEU expenditures or other action.

9.4.3.9.2 Brief description of jobs that District residents were placed into resulting from training programs.

**9.4.3.10 Other Information**

9.4.3.10.1 Categorization of the types of jobs occupied by District residents.

9.4.3.10.2 Proportion of FTE green jobs that meet Davis-Bacon Wage Determinations.

9.4.3.10.3 Identification of the Ward that corresponds to the home address of District residents that occupy FTE green jobs.

The compensation at risk is a sliding scale where the higher percent of District residents hired as a result of SEU activities, the higher the award. The Contractor shall receive 50% of the \$60,000 incentive amount for this benchmark for creating 80% of 37.5 green jobs. For every 10% extra number of jobs created by the SEU, the Contractor shall receive an additional 25% of the incentive allocated to this benchmark. The total compensation for this green jobs benchmark is \$60,000.

Beginning in the second year of the SEU operation, a penalty of 50% of the incentive for this benchmark will be assessed on the base compensation of the SEU contract if the SEU fails to achieve a level of 51 percent of FTE green jobs created for District residents. After Year 2, the penalty will be assessed if the SEU fails to achieve a level of 60 percent in the Year 3, and 70 percent in the fourth and subsequent years.

**9.4.4 Societal Benefit Test**

The Act requires the SEU energy efficiency program portfolio, as a whole, to pass the societal benefit test. 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. For the SEU the social discount rate will be set at the 10-year treasury rate as posted in the *Wall Street Journal* on the first business day in October of the year being evaluated. A societal benefit-to-cost ratio of 1.0 and greater is considered cost effective. Difficult to

calculate benefits are expressed in % adders until greater refinement in calculating those benefits is achieved. Below are the factors in the SEU's societal benefits test. The Contractor may propose to DDOE's EM&V contractor how certain factors below are calculated. DDOE and Contractor may agree to modify benefits or costs or propose additional benefits or costs at any time.

#### **9.4.4.1 Societal Test Benefits**

- 9.4.4.1.1 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 price forecasts.
- 9.4.4.1.2 For electricity, transmission and distribution benefits including line losses and avoided transmission and distribution construction.
- 9.4.4.1.3 Natural gas capacity and local delivery benefits (if too costly to calculate, 5% adder to natural gas savings can be used instead).
- 9.4.4.1.4 Energy market price effects (reduction in wholesale price of electricity and natural gas due to reduced energy demand from wholesale energy markets).
- 9.4.4.1.5 Adder equal to 10% above benefits (9.4.4.1.1, 9.4.4.1.2, 9.4.4.1.3, and 9.4.4.1.4) recognizing the benefits of energy efficiency and conservation in addressing risk and uncertainty.
- 9.4.4.1.6 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 10% above benefits (9.4.4.1.1, 9.4.4.1.2, 9.4.4.1.3, and 9.4.4.1.4) may be used as alternative if calculating NEBs is excessively expensive.
- 9.4.4.1.7 Benefits from reducing environmental externalities including air and water pollution, green house gas emissions, and cooling water use. To account for these benefits, a 10% adder may be applied to avoided demand and energy costs if calculating environmental externalities is excessively expensive.

#### **9.4.4.2 Societal Test Costs**

- 9.4.4.2.1 SEU incentives paid to the participant.
- 9.4.4.2.2 Program and administrative costs.
- 9.4.4.2.3 Monitoring, evaluation, and other non-incentive costs.
- 9.4.4.2.4 Participant out-of-pocket costs after non-SEU 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 the prime rate posted in the *Wall Street Journal* on the first business day in October of the year the equipment is purchased.

## **9.5 Contract Administration**

### **9.5.1 Invoice Payments**

The District will make payments to the Contractor, upon the submission of proper invoices, for the delivery of services performed. The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor. All invoicing data along with proper supporting documentation must be kept by the Contractor and made available to DDOE upon request.

### **9.5.2 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:

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

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

Dr. Taresa Lawrence  
District Department of the 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:

- 9.5.2.1 Contractor's name, federal tax ID and invoice date (date invoices as of the date of mailing or transmittal);
- 9.5.2.2 Contract number and invoice number;
- 9.5.2.3 Description, price, quantity and the date(s) that the supplies or services were delivered or performed;
- 9.5.2.4 Other supporting documentation or information, as required by DDOE;
- 9.5.2.5 Name, title, telephone number and complete mailing address of the responsible official to whom payment is to be sent;
- 9.5.2.6 Name, title, phone number of person preparing the invoice;
- 9.5.2.7 Name, title, phone number and mailing address of person to be notified in the event of a defective invoice; and
- 9.5.2.8 Authorized signature.

## **9.6 Statement of Work**

The Contractor shall undertake the following tasks in the execution of this Agreement:

## **9.6.1 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 management; (4) dispute resolution; (5) information technology, data collection, and management; and (6) preparation and submission of required reports.

### **9.6.1.1 Budgeting**

After contract negotiations and at the start of operations, a detailed first-year budget must be developed and provided to DDOE. This budget should include the following areas: (1) general administration and reporting; (2) management information system (“MIS”), information technology (“IT”) development and maintenance; (3) Green Energy DC marketing; (4) strategic planning analysis and program design; (5) energy efficiency and conservation program delivery, divided into residential and non-residential sectors; (6) electricity and natural gas-related program expenditures; (7) customer-sited renewable energy service delivery, divided into residential and non-residential sectors; (8) any specific startup costs or costs related to the transition to a new Contractor; and (9) any other areas decided upon by DDOE and the Contractor.

### **9.6.1.2 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. It 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 DDOE will have performed annually.

### **9.6.1.3 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.

### **9.6.1.4 Dispute Resolution**

The Contractor shall develop protocols to track and resolve complaints about the Contractor, subcontractors, trade allies, and ICs and submit these protocols to DDOE within 90 days after SEU contract execution. The Contractor shall have 30 days to respond to complaints from, or disputes among, affected persons or entities.

### **9.6.1.5 MIS, Data Collection and Management, and Information Technology**

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 SEU 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 utilize necessary information for performing assessment

tasks. Information in this system shall include, but not be limited to, tracking data on customers, 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 DDOE, the Board, or the FA.

The types of computer equipment, storage peripherals, communication devices, network equipment, software, printers and any other products necessary for SEU 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 systems developed by the Contractor should conform to established DDOE standards and information must be transferrable to DDOE for further analysis, maintenance, or archiving purposes.

#### **9.6.1.5.1 Managing Customer Data and Competitively Sensitive Information**

The Contractor shall not sell or otherwise disclose any customer or billing information to any third party without express written authorization from the customer. The Contractor shall be liable for damages to the customer for any unauthorized use of customer information or data, including the electric or gas utility company customer's name, account number, service address, billing address, phone number, and energy use data. 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 information so that such information is protected and no IC is provided unfair competitive advantages.

#### **9.6.1.5.2 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.

### **9.6.2 Service Planning and Implementation**

The Contractor shall research, plan, manage, oversee, and implement services to meet performance benchmarks and other goals specified by DDOE.

#### **9.6.2.1 Program Research and Design**

The Contractor shall have primary responsibility for the development and revision of its service offerings, including discontinuing existing services and offering new services, when appropriate, in consultation with DDOE. After SEU contract execution, the Contractor shall undertake a comprehensive strategic planning analysis ("Analysis") to support program planning for the SEU contract. The Contractor shall utilize existing resources when available and shall conduct original basic research with approval from DDOE. The Analysis shall include:

- Demographic data and forecasts for the District's electricity and natural gas end-users;

- Economic growth estimates and other relevant economic analyses for the District;
- Energy consumption forecasts for the District;
- Energy profile of the District’s electricity end-users and natural gas end-users;
- Assessments of the technical potential for energy efficiency and customer-sited renewable energy in the District;
- Trend analyses in regional energy efficiency and renewable energy;
- Market assessments shall include a characterization or description of the specific market or market segments, including a description of the types and number of buyers and sellers in the market, the key actors that influence the market, the type and number of transactions that occur on an annual basis, and the extent to which market participants consider energy efficiency as an important part of these transactions. The assessment may also include an analysis of whether a market has been sufficiently transformed to justify a reduction or elimination of specific market interventions. An example of a market assessment effort is a baseline study or the characterization of a market before the commencement of a specific intervention, for the purpose of guiding the intervention and/or assessing its effectiveness later. Another example of a market assessment is an appliance saturation survey;
- An analysis of how all rate classes and important energy end-user demographic sectors (e.g., low- and moderate-income residents) are being served by the SEU and other energy programs; and
- Identification of specific energy efficiency measures that are eligible to be bid into PJM’s capacity market construct, the Reliability Pricing Model (“RPM”), and an analysis of the potential net benefits of the SEU bidding those energy efficiency measures into the RPM.

Using the results from this Analysis, 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 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 performance benchmarks and incentives as well as the long-term goals of Green Energy DC. Updates and revisions to the Analysis shall be conducted by the Contractor on an annual or on-going basis as informed by programs evaluations and the Annual Plan (see section 9.6.5).

Regarding the benchmark to reduce per-capita energy consumption in the District of Columbia, the Contractor shall include as part of the Analysis, a detailed data collection and analysis with the elements of this study should include, but not be limited to:

- Economic growth estimates and other relevant economic analyses for the District.
- Energy consumption forecasts for the District.
- Identification of the relevant consumer aggregations (e.g., residential, low-income, commercial, etc.) and relevant energy use characteristics, including but not limited to



current energy use, projected energy use, energy use history and past growth rate, metering, existing installed measures, building type, and heating and cooling energy source.

- The potential pool of energy savings.
- Identification of barriers to energy reduction efforts.

Regarding the benchmark to reduce the growth of energy demand of the District of Columbia's largest energy users, the Contractor shall include as part of this Analysis, a detailed data collection and analysis,. The study should be completed and a new benchmark agreed to with DDOE within 9 months of the SEU becoming operational. With regard to this benchmark, the elements of this study should include, but not be limited to:

- Economic growth estimates and other relevant economic analyses for the District.
- Energy consumption forecasts for the District.
- Identification of the largest users by name, location, square footage, current energy use, projected energy use, energy use history and past growth rate, how buildings are metered including number of buildings, building energy managers, and contact information.
- Summary of energy management history including energy service companies ("ESCO") or performance contracting used.
- The potential pool of energy savings.
- Identification of barriers to energy reduction efforts.
- A separate report for Federal and District buildings, including all of the above elements and an assessment of possible partnership between the Federal government and District of Columbia.

#### **9.6.2.2 Coordination With Existing and Temporary Energy Efficiency Programs**

The electric company (Pepco) and DDOE are currently administering energy efficiency programs that will continue until the end of the 2011 fiscal year for DDOE programs and the end of 2010 fiscal year for Pepco, when the funding for the programs authorized by the CAEA ends. Upon SEU contract execution, the Contractor shall plan and coordinate with DDOE for the termination of their programs and the possible continuation of certain elements of the existing and temporary programs.

##### **9.6.2.2.1 Programs Administered by DDOE**

Eight programs are currently administered by DDOE with funding from the Sustainable Energy Trust Fund. For more information on these programs, see [www.green.dc.gov](http://www.green.dc.gov) or call (202) 535-2600. With the exception of Saving Energy in D.C. Schools Program and the Renewable Energy Incentives Program, DDOE's programs are residential energy efficiency programs.

##### **9.6.2.2.2 Programs Administered by Pepco**

Five programs are currently administered by Pepco with funding from the Sustainable Energy Trust Fund. For more information on Pepco's energy efficiency programs, see <http://www.pepco.com/energy/conservation/dcprogram/> and [www.pepco.com/business/services/programs/overview/](http://www.pepco.com/business/services/programs/overview/).

### **9.6.2.3 Program Implementation and Delivery**

The Contractor may utilize a variety and combination of program delivery strategies.

#### **9.6.2.3.1 IC RFPs**

The Contractor shall develop RFPs for Implementation Contracts in consideration of 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 DDOE, to guide the execution of IC RFPs. Fair bid solicitation and selection processes will be of particular concern to DDOE. 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. RFPs for competitively bid Implementation Contracts may include provisions for performance-based incentives to ensure that program targets are achieved or exceeded. Following are broad categorizations of IC RFPs, identified by DDOE, which the Contractor may use:

#### **9.6.2.3.2 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 and require fair employment practices. In addition, RFPs to select ICs must provide a preference for CBEs that allows the Contractor to meet the following minimum requirements: By the end of the first year of the SEU contract, a minimum of 35% of the dollar volume of Implementation Contracts (including subcontracts that are part of any teaming arrangement in an RFP bid) must be attributable to contracts with CBEs.

#### **9.6.2.3.3 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. 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.

### **9.6.2.4 Qualification and Certification of SEU's and IC's Workforce**

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

### **9.6.2.5 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/SEU 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; 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.

#### **9.6.2.6 Program Marketing and Consumer Education**

The Contractor shall develop and implement a public and consumer information strategy to: (1) promote customer participation in and market awareness of SEU 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 SEU 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 DDOE, the Contractor may coordinate marketing and educational initiatives with private entities operating sustainable energy programs in adjacent or nearby jurisdictions.

DDOE is responsible for maintaining the web portal, [www.green.dc.gov](http://www.green.dc.gov). The Contractor shall develop and maintain all website content for SEU activities. The Contractor will coordinate with DDOE on the SEU website's content interface with [www.green.dc.gov](http://www.green.dc.gov).

#### **9.6.3 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 DDOE will jointly develop standard formats for each report after execution of the SEU 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.

#### **9.6.3.1 Monthly Reports**

The Contractor shall prepare and submit Monthly Reports to DDOE. 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 SEU's overall targets and are considered to be activity monitoring reports.

#### **9.6.3.2 Quarterly Reports**

The Contractor will prepare and submit Quarterly Reports to DDOE. 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) an SEU balance sheet; (3) a report of progress made towards achieving energy savings and customer-sited renewables targets, and other agreed-upon indicators of performance; (4) a summary of activity highlights for the quarter; (5) a summary of any significant implementation issues and changes or anticipated changes in implementation strategies and services; (6) a quarterly total (retained and created) hires (in FTEs) by the Contractor and ICs attributable to SEU 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<sup>21</sup> for the quarter

#### **9.6.3.3 Annual Reports**

The Contractor will prepare and submit Annual Reports to DDOE. 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 SEU (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) a report of progress toward achieving targets and other agreed-upon indicators of performance; (5) annual savings and customer-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 SEU 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.

#### **9.6.3.4 Information Requests**

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

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<sup>21</sup> The First Source Agreement Program Compliance Report can be found at <http://does.dc.gov/does/cwp/view,a,1232,q,537680.asp>

#### **9.6.4 Annual Plan**

The Contractor shall issue an Annual Plan to DDOE. 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 SEU 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 SEU's program design strategies, service offerings, emerging markets initiatives, and other planned implementation activities, including competitive solicitations, for the following year in the Annual Plan. DDOE, in consultation with the Board and the Contractor, will additionally use the Annual Plan to make any adjustments to performance benchmarks and to recommend further policy initiatives for consideration by District Council. The Annual Plan shall be completed ninety days prior to the end of the contract year in order to facilitate any necessary programmatic or other changes in the SEU activities in the following year. The first Annual Plan will be due 21 months after SEU contract execution.

#### **9.6.5 Identify and Leverage Additional Funding for the SEU**

The Contractor shall identify and assess additional funding opportunities for the SEU. With approval of DDOE or at the direction of DDOE, the SEU may apply for federal grants and private grant opportunities. Revenues to the SEU from such funding opportunities shall not cause adjustment to the performance benchmarks and incentives. In addition, the Contractor shall maximize and/or leverage revenue from the following sources:

##### **9.6.5.1 Property Assessed Clean Energy Program and Other Financing Mechanisms**

The Energy Efficiency Financing Act of 2010 creates a Property Assessed Clean Energy (“PACE”) Program to provide funding for the initial installation of energy efficiency and renewable energy retrofits and improvements District (Bill 15-850). This program will be marketed as a Green Energy DC program but will not be administered by the Contractor as part of the SEU contract. In the strategic planning analysis (see section 9.6.2.1), the Contractor shall identify how the SEU can leverage the funding from PACE to benefit SEU programs. In addition, the Contractor shall evaluate financing options other than the PACE program in the strategic planning analysis.

Under the direction of DDOE, the Contractor shall collaborate with the administrator of the PACE program to assess possible coordination of activities such as marketing, workforce development, EM&V, and participation in the PJM capacity market.

##### **9.6.5.2 PJM Capacity Market**

The Contractor shall maximize any revenue or programmatic savings available from certain energy efficiency measures in SEU programs that are eligible to be a Capacity Credit under the PJM Reliability Assurance Agreement. In strategic planning analysis (see section 9.6.2.1), the Contractor shall identify program measures that may be bid into the RPM and estimate the potential revenue to the SEU from bidding the capacity related to these program measures in the RPM.<sup>22</sup> The Analysis shall additionally assess alternative

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<sup>22</sup> For more information on how energy efficiency may bid into PJM's RPM see <http://www.pjm.com/markets-and->

methods that the SEU may benefit from PJM’s 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 DDOE, the Contractor shall coordinate with the administrator of the PACE program on the bidding of eligible energy resources from the SEU and PACE into the RPM. The Contractor shall also collaborate with the administrator of the PACE program on the potential benefits of coordinating EM&V, activities as directed by DDOE.

### **9.6.5.3 Renewable Energy Certificates**

In the strategic planning analysis (see section 9.6.2.1), the Contractor shall evaluate any potential revenues available to the SEU from obtaining Renewable Energy Certificates (“RECs”) and/or Solar Renewable Energy Certificates (“SRECs”) on behalf of District-based renewable energy generators.

## **9.7 Evaluation, Measurement, And Verification of SEU Activities by DDOE**

DDOE will direct the FA to hold in reserve up to 8% of annual SETF funding for the SEU contract to pay for EM&V of the SEU. The Act requires DDOE to commission an annual independent review of the performance and expenditures of the SEU and report the results of this review to the Board and District Council within 6 months of the conclusion of each year of the SEU contract. The law also allows up to \$100,000 of SETF funds to be used for the independent review. DDOE considers this independent review to be an audit of SEU activities and not part of EM&V.

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

### **9.7.1 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.

### **9.7.2 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.

## **9.8 Contractor’s Role in EM&V**

The Contractor must also cooperate fully with DDOE-funded independent reviews of contractor performance. Within nine months of contract execution, the Contractor, in consultation with DDOE, shall develop EM&V protocols for the SEU that rely heavily on regional and national

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[operations/~media/markets-ops/rpm/20090406-dr-ee-in-rpm-collateral.ashx](http://www.pjm.com/operations/~media/markets-ops/rpm/20090406-dr-ee-in-rpm-collateral.ashx) and PJM Manual 18 B at <http://www.pjm.com/documents/manuals.aspx>

efforts to standardize EM&V protocols, methods, and assumptions. In particular, the SEU may base EM&V protocols on the products developed by the Northeast Energy Efficiency Partnerships' ("NEEP") EM&V Forum. The Contractor shall include an EM&V plan that details monitoring and data collection activities for each SEU program approved by DDOE. The Contractor shall use the results of EM&V in the strategic planning analysis. 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.

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 NEEP EM&V Forum, as the basis for the SEU's TRM. When available, and in consultation with DDOE, the Contractor may use other relevant resources and regional databases to develop and update the SEU's TRM. DDOE may require the Contractor to participate in the NEEP EM&V Forum.

### **9.9 Transition to a New Contractor**

The transition to a new Contractor at the end of the Contractor's contract term shall be performed in an organized and efficient manner with a minimum of disruption to SEU participants, ICs, and SEU programs and services. Inset transition plan. 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 DDOE six months prior to any intent to terminate performance of the SEU contract. In the event of termination of the SEU contract for performance failure, DDOE will give the contractor six months notice.

### **9.10 Ownership of Materials, Data, and Products**

Any logos, trademarks, databases, copyrighted material or material eligible for copyright, physical equipment, computer software purchased or developed with SETF monies, surveys, survey results, program designs, and any SEU work product determined by DDOE to be necessary to the success of SEU programs will be the property of DDOE and used only with permission of DDOE. DDOE shall have access to this data and materials during the SEU Contract and the Contractor shall transfer such items to the winning bidder of a future SEU contract RFP. The Contractor identifies these \_\_\_\_\_ that are available perpetually to DDOE for the purposes of \_\_\_\_\_.

### **9.11 Key Contractor Personnel**

To carry out its tasks, the Contractor shall utilize the following Key Contractor Personnel: TBD. The Key Contractor Personnel who are responsible for the day to day management of the SEU. The Contractor shall not replace Key Contractor Personnel without DDOE's prior written approval, 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 promptly appoint a replacement acceptable to DDOE.

### **9.12 Employment and Hiring**

#### **9.12.1 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 (“First Source Act”). The Contractor shall enter into and maintain, during the term of the contract, a First Source Employment Agreement, in which the Contractor shall agree that the first source for finding employees to fill all jobs created in order to perform this contract shall be the DOES and the first source for finding employees to fill any vacancy occurring in all jobs covered by the First Source Employment Agreement shall be the First Source Register. The Contractor shall submit to DOES, no later than the 10th of each month following execution of the contract, a First Source Agreement Contract Compliance Report (“contract compliance report”) to verify its compliance with the First Source Agreement for the preceding month. The contract compliance report for the contract shall include the:

- 9.12.1.1 Number of employees needed;
- 9.12.1.2 Number of current employees transferred;
- 9.12.1.3 Number of new job openings created;
- 9.12.1.4 Number of job openings listed with DOES;
- 9.12.1.5 Total number of all District residents hired for the reporting period and the cumulative total number of District residents hired; and
- 9.12.1.6 Total number of all employees hired for the reporting period and the cumulative total number of employees hired, including: name; Social Security number; job title; hire date; residence; and referral source for all new hires.

Willful breach of the First Source Employment Agreement, or failure to submit the report pursuant to this section 9.12.1, or deliberate submission of falsified data, may be enforced by DDOE through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract. The Contractor shall make payment to DDOE.

### **9.13. 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 DDOE 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, DDOE. 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. The Contractor shall ensure that all policies provide that DDOE 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 DDOE 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.

#### **9.13.1 Commercial General Liability Insurance**

The Contractor shall provide evidence satisfactory to DDOE 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 performed under this contract.

**9.13.2 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.

**9.13.3 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.

**9.13.4 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.

**9.13.5 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.

**9.13.6 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.

**9.13.7 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.

**9.13.8 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.

**9.13.9 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.

**9.13.10 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.

**9.13.11 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, District Department of the Environment, 1200 First Street, NE, 5<sup>th</sup> Floor, Washington, DC 20002.

**9.13.12 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.

**9.14 Special Contract Requirements**

**9.14.1 Publicity**

The Contractor shall at all times obtain the prior approval from DDOE 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. This section does not apply to marketing and consumer education services provided by the Contractor.

**9.14.2 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 DDOE who will provide the request to the FOIA Officer for DDOE 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, DDOE will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to DDOE and DDOE will determine the releasability of the records.

**9.14.3 Covenant Against Contingent Fees**

The Contractor warrants that no person or selling agency has been employed or retained to

solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

#### **9.14.4 Inspection Of Services**

“Services” as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services. The Contractor shall provide and maintain an inspection system acceptable to DDOE covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to DDOE during contract performance and for as long afterwards as the contract requires. DDOE has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. DDOE will perform inspections and tests in a manner that will not unduly delay the work. If the District 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. If any of the services do not conform to the contract requirements, the District 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, the District 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. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or terminate the contract for default.

#### **9.14.5 Waiver**

The waiver of any breach of the contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the contract.

#### **9.14.6 Default**

9.14.6.1 DDOE may, subject to the 9.14.6.3, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances: if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as DDOE may authorize in writing) after receipt of notice from DDOE specifying such failure.

9.14.6.2 In the event DDOE terminates this contract in whole or in part as provided in 9.14.6.1, the District may procure, upon such terms and in such manner as DDOE may deem appropriate, supplies or service similar to those so terminated, and the Contractor shall be liable to the District for any excess costs for similar supplies or services; provided, that the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

9.14.6.3 Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the District or Federal Government in either their sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without fault or negligence of the Contractor. If the failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess cost for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

9.14.6.4 If this contract is terminated as provided in 9.14.6.1, the District, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the District, in the manner and to the extent directed by DDOE, (i) completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures plans, drawing information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of DDOE, protect and preserve property in possession of the Contractor in which the District has an interest. Payment for completed supplies delivered to and accepted by the District will be at the contract price. Payment for manufacturing materials delivered to and accepted by the District will be at the contract price. Payment for manufacturing materials delivered to and accepted by the District and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and DDOE; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes". The District may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as DDOE determines to be necessary to protect the District against loss because of outstanding liens or claims of former lien holders.

9.14.6.5 If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under

the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination of convenience of the District, be the same as if the notice of termination had been issued pursuant to such clause.

9.14.6.6 The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

**9.14.7 Indemnification**

The Contractor agrees to defend, indemnify and hold harmless the District, its officers, agencies, departments, agents, and employees (collectively the “District”) from and against any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys’ fees), resulting from, arising out of, or in any way connected to activities or work performed by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, ICs, or any other person acting for or by permission of the Contractor in performance of this Contract. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed in performance of this Contract. The Contractor shall also repair or replace any District property that is damaged by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor while performing work hereunder.

The indemnification obligation under this section shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or any subcontractor, and shall survive the termination of this Contract. The District agrees to give Contractor written notice of any claim of indemnity under this section. Additionally, Contractor shall have the right and sole authority to control the defense or settlement of such claim, provided that no contribution or action by the District is required in connection with the settlement. Monies due or to become due the Contractor under the contract may be retained by the District as necessary to satisfy any outstanding claim which the District may have against the Contractor.

**9.14.8 Transfer**

No contract or any interest therein shall be transferred by the parties to whom the award is made; such transfer will be null and void and will be cause to annul the contract.

**9.14.9 District Employees Not To Benefit**

Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this contract or to any benefit that may arise there from, and any contract made by DDOE or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this contract if made with a corporation for its

general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District's needs cannot reasonably otherwise be met. The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

#### **9.14.10 Disputes**

9.14.10.1 Claim, as used in this subsection, 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.

9.14.10.1.1 All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to DDOE for a decision. The contractor's claim shall contain at least the following: a description of the claim and the amount in dispute; any data or other information in support of the claim; a brief description of the Contractor's efforts to resolve the dispute prior to filing the claim; and the Contractor's request for relief or other action by DDOE.

9.14.10.1.2 DDOE may meet with the Contractor in a further attempt to resolve the claim by agreement.

9.14.10.1.3 For any claim of \$50,000 or less, DDOE shall issue a decision within sixty (60) days from receipt of a written request from a Contractor that a decision be rendered within that period.

9.14.10.1.4 For any claim over \$50,000, DDOE shall issue a decision within ninety (90) days of receipt of the claim. Whenever possible, DDOE 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.

9.14.10.1.5 DDOE's written decision shall do the following: provide a description of the claim or dispute; refer to the pertinent contract terms; state the factual areas of agreement and disagreement; 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; 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; indicate that the written document is DDOE's final decision.

9.14.10.1.6 Any failure by DDOE to issue a decision on a contract claim

within the required time period will be deemed to be a denial of the claim.

9.14.10.1.7 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. Liability under this paragraph shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.

9.14.10.2 Claim as used in this subsection 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.

9.14.10.2.1 All claims by the District against a Contractor arising under or relating to a contract shall be decided by DDOE. DDOE shall send written notice of the claim to the Contractor.

9.14.10.2.1.1 DDOE's written decision shall do the following: provide a description of the claim or dispute; refer to the pertinent contract terms; state the factual areas of agreement and disagreement; 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; 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; indicate that the written document is DDOE's final decision.

9.14.10.2.1.2 The decision shall be supported by reasons and shall inform the Contractor of its rights as provided herein.

9.14.10.2.1.3 The authority contained in this clause 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.

9.14.10.2.1.4 This clause shall not authorize DDOE to settle, compromise, pay, or otherwise adjust any claim involving fraud.

#### **9.14.11 Changes**

DDOE and the SEU may mutually agree, at any time, by written order, and without notice to the surety, if any, to make changes to the contract within the general scope hereof. If such change causes an increase or decrease in the cost of performance of this contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment under this paragraph must be asserted within ten (10) days from the date the change is offered; provided, however, that DDOE, if he or she determines that the facts justify such action, may receive, consider and adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in the "Disputes"

section of this contract. Nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

**9.14.12 Appropriation Of Funds**

The District's liability under this contract is contingent upon the future availability of appropriated monies with which to make payment for the contract purposes. The legal liability on the part of the District for the payment of any money shall not arise unless and until such appropriation shall have been provided.

**9.14.13 Termination Of Contracts For Certain Crimes And Violations**

9.14.13.1 The District may terminate without liability any contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:

9.14.13.1.1 The Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment to be made under the contract; or

9.14.13.1.2 There has been any breach or violation of any provision of the Procurement Practices Act of 1985, as amended, or the contract provision against contingent fees.

9.14.13.2 If a contract is terminated pursuant to this section, the Contractor:

9.14.13.2.1 May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and

9.14.13.2.2 Shall refund all profits or fixed fees realized under the contract.

9.14.13.3 The rights and remedies contained in this are in addition to any other right or remedy provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.





**Appendix A: Pre-Proposal Conference Form**

The individual/organization named below intends to attend a pre-proposal conference at 10:00 A.M. on July 19, 2010 at conference room 1012A located at 1200 First Street NE, 10th Floor, Washington, DC 20002.

Individual/Organization Name: \_\_\_\_\_

Attendees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

Contact Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Submit Via E-mail, Fax, or Mail to:

Dr. Taresa Lawrence  
The District Department of the Environment  
1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, DC 20002  
(202)671-3313 – Office  
(202)535-2881 – Fax  
[taresa.lawrence@dc.gov](mailto:taresa.lawrence@dc.gov)

Please RSVP by submitting this form before 4:00 p.m., July 12, 2010.



**Appendix B: Contractor Intent to Respond Form**

The individual/organization named below intends to submit a proposal in response to the Department of Environment, Office of Energy's Request for Proposals for a Contractor for the Sustainable Energy Utility.

Individual/Organization Name: \_\_\_\_\_

Address: \_\_\_\_\_

**Authorized Representative**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Contact Information**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

Submit this form on or before 4:00 p.m. on August 10, 2010 via Email, Fax or Mail to:

Dr. Taresa Lawrence  
District Department of the Environment  
1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, DC 20002  
(202)671-3313 – Office  
(202)535-2881 – Fax  
[taresa.lawrence@dc.gov](mailto:taresa.lawrence@dc.gov)