



Request for Qualifications to Certify Qualified Providers for the Arkansas Energy Performance Contracting Program



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Part 1: Request for Qualifications

1. Overview and Background

WHEREAS, in 2013 the 89th General Assembly of the State of Arkansas amended the Guaranteed Energy Cost Savings Act, A.C.A. § 19-11-1201, with Act 554 that required the Arkansas Economic Development Commission – Energy Office (AEO) to establish rules that set standards and govern the process in which state agencies and institutions of higher learning engage Energy Service Companies (ESCOs) who pursue guaranteed energy cost savings contracts, also known as energy performance contracts (EPCs).

WHEREAS, the Arkansas Development Finance Authority (ADFA) is authorized to issue bonds for energy efficiency projects secured by guaranteed energy savings contracts to state entities under the State Entity Energy Efficiency Project Bond Act of 2013, A.C.A. §.

WHEREAS, in 2015 the 90th General Assembly of the State of Arkansas enacted the Local Government Energy Efficiency Project Bond Act, A.C.A. § 14-164-801, with Act 1275 which allows municipalities and counties to adopt the rules established by the AEO under A.C.A. § 19-11-1201 to establish set standards and govern the process in which public entities engage Energy Service Companies (ESCOs) who pursue guaranteed energy cost savings contracts, also known as energy performance contracts (EPCs).

WHEREAS, AEO has developed a state-approved process to certify Qualified Providers (pre-qualified ESCOs) to provide energy performance contracting services for AEPC Program participants; and thus

The AEO seeks proposals from firms to become ‘Qualified Providers’ for providing Energy Performance Contracting (EPC) services to Arkansas State Agencies (‘Agencies’). Additionally, the potential exists for the list to be used by municipal and/or other public entities should the program expand in the future.

The primary intent of this selection process is to evaluate and certify qualified providers as Pre-qualified ESCOs in the Arkansas Energy Performance Contracting (AEPC) Program.

Small, medium and large firms are encouraged to submit proposals for consideration. The purposes of this selection process are as follows:

- To maintain a list of successful energy performance contractors state-wide, as a means to implement comprehensive energy and water efficiency and capital improvement projects in existing buildings that would otherwise be cost-prohibitive.
- To provide Agencies the opportunity to procure services of qualified firms in a timely and cost-effective way.
- To ensure minimum qualifications of ESCOs to implement successful EPC projects.
- To ensure fair and reasonable pricing for EPC services.
- To offer all qualified firms the opportunity of equal access to EPC project opportunities in Arkansas.

2. Scope of Work and Responsibilities

The scope of work and responsibilities for Qualified Providers of the AEPC Program are outlined in the AEPC Program Manual. By submitting a Statement of Qualifications in response to this RFQ, ESCOs agree that, if selected, they will comply with the AEPC Program rules, policies and procedures as outlined in the AEPC Program Manual. While it is not envisioned that changes will occur on regular basis or diverge

dramatically from the current version, the program rules and manual may be subject to change. Any changes will be provided to qualified providers.

3. Use of ESCO Statement of Qualifications

This RFQ outlines the required format for an applicant's Statement of Qualifications (SOQs). The AEO will post the SOQs of the Pre-Qualified ESCOs to www.arkansasenergy.org and will be made available to Agencies by other means, if necessary. ESCOs are responsible for updating SOQs with the AEO promptly, to reflect key personnel or company changes.

4. Proposal Submittal and Selection Process

4a. Submittal Schedule

This RFQ is issued on a standing basis, meaning that AEO will accept submissions at any time. Please allow twenty (20) business days for AEO staff and consultants to review applications and recommend firms for pre-qualified status in the AEPC Program.

4b. Delivery of response

Deliver proposals to:
ATTN: Diane Bowen
ARKANSAS ECONOMIC DEVELOPMENT COMMISSION - ENERGY OFFICE
900 West Capitol Ave, Suite 400
Little Rock, Arkansas 72201

4c. Communications Regarding This RFQ

The issuing office is the sole point of contact in the State for the selection process. Questions regarding this solicitation should be made to:

Diane Bowen
dbowen@arkansasedc.com

4d. Submittal Format

Prepare a Statement of Qualifications (SOQ) following the Required Format for ESCO Statement of Qualifications, found in Part 2 of this document. **State each number and question prior to your response.**

Each submittal must include paper and electronic items as follows on or before the due date:

- One (1) signed original response;
- One (1) replicable electronic copy preferably in Word or PDF format, on CD or flash drive of the signed RFQ response on or before the due date. Responses should be page numbered.

Failure to submit the required number of copies with the bid may be cause for rejection. If the State requests additional copies of the bid, they **must** be delivered within twenty-four (24) hours of request.

The three files required on each CD or Flash Drive are:

- 1 – ESCO Statement of Qualifications (formatted per Part 2 of this document)
- 2 - Firm’s Annual Financial Report Summary
- 3 - Sample Investment Grade Audit (Investment Grade Audit and Project Proposal) report

4e. Proprietary Information

Proprietary information submitted in response to this RFQ will be processed in accordance with applicable State of Arkansas procurement procedures. Proposals and documents pertaining to the RFQ become the property of the State and shall be open to public inspection subsequent to proposal opening. It is the responsibility of the Vendor to identify all proprietary information. **The vendor should submit one complete copy of the response from which any proprietary information has been removed, i.e., a redacted copy.** The redacted copy should reflect the same pagination as the original, show the empty space from which information was redacted, and should be submitted on a CD or flash drive. Except for the redacted information, the redacted copy must be identical to the original hard copy. The vendor is responsible for ensuring the redacted copy on CD/flash drive is protected against restoration of redacted data. The redacted copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the vendor. If a redacted copy is not included, the entire proposal will be open to public inspection with the exception of financial data (other than pricing). If the State of Arkansas deems redacted information to be subject to the FOIA the vendor will be contacted prior to sending out the information.

4f. Selection Process

Pre-Qualification. AEO staff and AEPC program consultants will review and score proposals. AEO may schedule oral interviews with one or more responding firms by phone to gain clarification as needed. ESCOs that are selected for pre-qualification shall be notified by email or letter from the AEO.

Selected companies. Any company designated as a Qualified Provider ESCO for the AEPC program may remain on the Pre-qualified ESCO list for a period of up to five years. The ESCO shall engage in a good faith effort to promote the AEPC and shall adhere to the rules and procedures outlined in the AEPC Program Manual.

AEO will monitor and review ESCO performance for compliance with the policies and procedures outlined in the AEPC Program Manual on an on-going basis. ESCOs failing to comply face possible termination from the program.

Selection for Projects. Agencies beginning an EPC project will select from the Pre-Qualified ESCO list, using a secondary selection process. The secondary ESCO selection process will include interviews of at least three Pre-Qualified ESCOs and may vary with the participant’s procurement policies.

5. Minimum Qualifications

To be considered as a pre-qualified ESCO for the AEPC Program, a company must demonstrate in the proposal that it can competently provide the services required of ESCOs as outlined in the AEPC Program Manual.

The firm must also demonstrate that it meets the following qualifications, as specified in the Guaranteed Energy Cost Savings Act, A.C.A. § 19-11-1201:

"Qualified provider" means a person or business, including all subcontractors and employees of that person or business and third-party financing companies, that:

(A) Is properly licensed in the State of Arkansas;

(B) Has been reviewed and certified by the Arkansas Energy Office as a qualified provider under this subchapter;

(C) Is experienced in the design, implementation, measurement, verification, and installation of energy cost savings measures;

(D) Has at least five (5) years of experience in the analysis, design, implementation, installation, measurement, and verification of energy efficiency and facility improvements;

(E) Has the ability to arrange or provide the necessary financing to support a guaranteed energy cost savings contract; and

(F) Has the ability to perform under a contract that requires the person or business to guarantee the work performed by one (1) or more subcontractors;

6. Additional Policies

MINORITY BUSINESS POLICY:

Minority participation is encouraged in this and in all other procurements by state agencies. Minority is defined by Arkansas Code Annotated § 15-4-303 as a lawful permanent resident of this state who is: African American, Hispanic American, American Indian, Asian American, Pacific Islander American or a Service Disabled Veteran as designated by the United States Department of Veterans Affairs. The Arkansas Economic Development Commission conducts a certification process for minority business. Bidders unable to include minority-owned business as subcontractors "may explain the circumstances preventing minority inclusion".

Check minority type:

African American___ Hispanic American___ American Indian___ Asian American___
Pacific Islander American___ Service Disabled Veteran___

Arkansas Minority Certification Number_____

EQUAL EMPLOYMENT OPPORTUNITY POLICY:

In compliance with Arkansas Code Annotated § 19-11-104, the Arkansas Energy Office is required to have a copy of the vendor's Equal Opportunity Policy prior to issuing a contract award. EO Policies may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.arkansas.gov, or as a hard copy accompanying the solicitation response. The Office of State Procurement will maintain a file of all vendor EO policies submitted in response to solicitations issued by this office. The submission is a one-time requirement, but vendors are responsible for providing updates or changes to their respective policies, and for supplying EO policies upon request to other state agencies that must also comply with this statute. Vendors that do not have an established EO policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

EMPLOYMENT OF ILLEGAL IMMIGRANTS:

Pursuant to, Arkansas Code Annotated § 19-11-105, all bidders must certify prior to award of the contract that they do not employ or contract with any illegal immigrants in their contracts with the State. Bidders shall certify online at: <https://www.ark.org/dfa/immigrant/index.php/user/login>

EO-98-04 GOVERNOR'S EXECUTIVE ORDER:

Bidders should complete the Disclosure Forms issued with this RFQ. You can find this form at: <http://www.dfa.arkansas.gov/offices/procurement/Documents/contgrantform.pdf>

RECORD RETENTION

The Contractor shall be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and specified by the State of Arkansas Law. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives.

Financial and accounting records shall be made available, upon request, to the State of Arkansas' designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

RESERVATION

This RFQ does not commit the State Procurement Official to award a contract(s), to pay costs incurred in the preparation of a proposal in response to this request, or to procure or contract for commodities or services.

PUBLICITY

News release(s) by a vendor(s) pertaining to this RFQ or any portion of the project shall not be made without prior written approval of the State Procurement Official. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the vendor(s) proposal. The State Procurement Official will not initiate any publicity relating to this procurement action before the contract award is complete.

NEGOTIATIONS

As provided in this request for proposal and under regulations, discussions may be conducted with responsible vendor(s) who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal response and negotiation for best and final offers.

CANCELLATION

In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the State may cancel the contract or purchase order by giving the contractor written notice of such cancellation 30 days prior to the date of cancellation.

Part 2: Required Format for ESCO Statement of Qualifications

Use this format to develop your firm's Statement of Qualifications (SOQ), in response to this RFQ. For applicants selected to become Pre-Qualified ESCOs, these SOQs will be made available publicly and may be used by Agencies to help select ESCOs to interview. **IMPORTANT: Re-state the number and question prior to your response.**

1. Executive Summary

Submit an Executive Summary providing a brief overview of your company's proposal to be accepted as a pre-qualified ESCO in the AEPC Program:

- Summarize your firm's commitment to comply with the policies, procedures and rules as outlined in the AEPC Program Rules Manual. (If changes occur, AEO will articulate those clearly to all qualified providers and require a receipt that they have been received.)
- Summarize how your firm meets the minimum qualifications, stated in Part 1, Section 5.
- Summarize how your firm's expertise and approach will enhance the effectiveness and reputation of the AEPC Program.
- State your permission for AEO to share your SOQ publicly (online, electronically, print) and may acknowledge that your SOQ be used by Agencies to help select which ESCOs to interview for EPC projects.

2. Company Overview

2a. History and Focus of Company

Describe the history and focus of the company, including:

- Structure and evolution of the firm;
- Number of years in energy-efficiency related business;
- Number of public energy-efficiency projects completed by your firm or key members of your firm over the past five years: number under \$1 million in project cost; number over \$1 million

2b. Industry Accreditations and Memberships

Provide information on any accreditations in and memberships in any industry organizations, for example: Arkansas Advanced Energy Association (AAEA), Energy Services Coalition (ESC), National Association of Energy Service Companies (NAESCO).

3. Management and Staffing

3a. Project Management and Staffing

- Organizational Structure. Show a typical/generic organization chart for implementing and managing a project.
- In a single table, list your personnel pool of individuals who will potentially be assigned responsibility for each task and phase of a project under the AEPC Program. Also include any added expertise and capability of staff available through other branch offices, subcontracts, etc., that can provide back-up strengths to your firm. Include the office location for each individual, branch office or subcontractor.
- Approach to Subcontracting. Describe the types of services (both professional and construction services) that your company offers in-house and the services typically offered through subcontractors.

3b. Arkansas State Construction Requirements

Describe your firm's approach to complying with the Arkansas State licensing and labor requirements.

4. Company Financial Status

4a. Financial Soundness and Profitability

- Financial soundness. Provide a description of the financial soundness and expected stability of the company.
- Profitability. Provide a description of the company's profitability with supporting documentation covering the past three years.
- Financial report. **Attach a financial report summary as an appendix, showing the company's most recent 12-month audited financials** including, at a minimum: Balance Sheet, Income Statement, Statement of Cash Flow, and Statement of Financial Conditions. Include the name, address, and telephone number of the preparer.

4b. Bonding

Include responses to the following:

- Current bonding rating (maximum project size firm can bond)
- Current bonding capacity
- Amount or percentage of bonding capacity currently obligated
- Current bonding rate
- Confirmation that the company is bondable for 100% of a payment bond on a project
- Confirmation that the company is bondable for 100% of a performance bond on a project
- Letter from a licensed surety as evidence of ability to bond for payment and performance

5. Marketing Approach

Briefly describe your firm's proposed approach to promoting and marketing the AEPC Program both in concert with AEO and in your individual marketing efforts for EPC.

6. Interpersonal Communications Approach

Describe your firm's approach to being a positive team member of the AEPC Program, and how you propose to work with AEO, Agencies and the ESCO community.

7. Reporting Approach

Describe your firm's approach to providing signed copies of contracts and measurement and verification reports to AEO in a timely manner. In addition, describe how you will meet the requirements for providing project performance metrics, described in detail in the Program Manual.

8. Technical Approach

Provide a description of the process your company uses to develop a typical audit in the types of facilities that will participate in the AEPC Program. Note any changes that will be made to comply with requirements of the AEPC Program. **Provide a recent sample investment grade audit as an electronic attachment.** The audit should be representative of a recent energy efficiency project in a government facility. Provide verification that the sample audit was conducted by the members of the company's team who will be participating in the AEPC Program.

Standards of Comfort and Construction Specifications

A brief description of the standards of comfort the company generally uses for light levels, space temperatures, ventilation rates, etc. in the facilities intended for the AEPC Program and any flexibility for specific agency needs. Note any changes that will be made to comply with requirements for AEPC Program.

Baseline Calculation Methodology

Provide a brief description of the methodology normally used by the company to compute the baseline of energy and water use for a facility. Include a discussion of how the Agency is engaged for development of an agreement on the baseline.

Adjustments to Baseline

Provide a brief discussion of typical factors that can impact the calculated baseline and the company's general approach to adjusting the calculated baseline if one or more of these factors are present. Include how the Agency is involved for agreement on any adjustments.

9. Company Scope of Services

Provide a brief description that highlights your firm's capabilities to provide services for the following items. Include as many as possible to validate firm's capabilities.

8a. Energy systems in buildings:

- Central plants
- Control and building automation systems
- Daylighting
- Distributed generation
- Fuel switching
- Heating systems
- Indoor air quality
- Kitchens
- Laboratories
- Laundry
- Lighting systems: indoor and outdoor
- Renewables (geothermal solar-electric/thermal, wind, biomass)
- Swimming pools and recreational facilities
- Transportation – fleet fuel management, etc.
- Utility management
- Ventilation systems
- Water-consuming systems

8b. Project Development and Implementation:

- Investment Grade Energy auditing (ASHRAE Level 3 audit)
- Financing Knowledge: Municipal-tax-exempt lease purchase, Bonds, Self-Financed, other
- Identification and application for utility rebates
- Commissioning of projects and retro-commissioning of existing buildings
- Identification of asbestos and other hazardous materials and abatement, recycling or disposal as applicable
- Construction

- System design engineering: mechanical, electrical, etc.
- Project/construction management
- Procurement, Bidding, Cost estimating
- Project Constructability

8c. Support Services:

- Measurement and verification of savings
- Equipment warranties
- Calculation and reporting of emissions reductions
- Marketing and promotion of a State or Federal EPC Program
- Performance guarantee for every year of the financing term
- Insurance per contract requirements
- Application for an Energy Star Label Application for LEED certification
- Training of maintenance staff and occupants
- Hazardous material handling
- Long-term maintenance services of energy systems

10. Project History

In a single table, list public energy efficiency projects developed and implemented by your locally represented firm or its key members within the past five years; Indicate whether project was through your firm or a key member’s previous firm. For the Project Timeline entry, include key milestone dates, such as year IGA signed, IGA completed, contract signed and/or construction completed.

Owner / Project Name	Facility Type	Your Company or Previous Firm	City & State	Project Size (Dollars)	Project Size (Square Feet)	Project Timeline

11. Project References

Provide detailed information for a maximum of three public energy efficiency projects your firm completed or were completed by members of your locally represented firm, which can be used for references. Expand on the information provided in the previous section to give details on individual projects. Include the following information on each project as a minimum (maximum five pages per project reference)

- Project Identification: Owner name, city/state, and facility type (hospital, school, college, city, county, etc.)
- Contact Information: Names and contact information of owner(s) representatives who can serve as references
- Project Size: Number of buildings and total project square footage
- Project Dollar Amount: Total contract amount and the total project capital expenditure amount
- Source of Funding: A description of the source of funding used for the project and the company’s role (if any) in securing that funding
- Project Dates: Actual dates of audit start and acceptance; actual construction starting and ending dates

- **Contract Terms:** A description of the type of contract, financing arrangement, and contract term
- **Project Personnel:** A list of the name(s) of individuals involved in the project, their role(s) and if these personnel will be assigned to Arkansas projects. (Attach their resumes in the Project Management and Staffing section)
- **Project Schedule:** Indicate if project was completed on schedule and, if not, please explain.
- **List of Improvements:** The types of retrofits and operational improvements implemented related to energy, water and other cost savings
- **Project Performance:** The amounts of projected annual savings, guaranteed annual savings, and actual annual savings for each project in a table.
- **Measurement and Verification:** A brief description of the M&V approach for each project including which savings were stipulated, if any
- **Performance Guarantee:** A description of the savings guarantee for each project and, if the guaranteed savings were not achieved, how the company compensated the agency for any annual shortfall (e.g. paid funds to meet the guarantee, etc.)
- **Project Status:** Post M&V, Closed (M&V term completed), Additional EPC Phase in Progress (audit or construction), Non-EPC work in progress, other (explain).
- **Additional Comments:** Comments on any special features, services, conditions, creative approaches, special needs of customer, etc. that may be relevant to the AEPC Program and clientele.

12. Cost and Pricing

Investment Grade Audit (IGA) Costs

Please describe your company's approach to IGA Pricing.

The IGA is an audit that fulfills the obligations outlined in Exhibit A of the AEO IGA Contract. All ESCOs in the AEPC Program are required to use the AEO-developed IGA costs in their competitive proposals to Agencies, and in no case shall the prices in the table be exceeded. The cost for the IGA is based on cost per square foot and is intended to be the market rate for an IGA.

The basic cost per square foot of the IGA to be used for typical buildings:

IGA Pricing per SF	Under 250 k SF	250 - 500 k SF	501 k + SF
	\$0.20	\$0.18	\$0.15

If a specific project includes systems or facilities other than typical buildings (e.g. waste water treatment, baseball fields, pools, street lighting, etc.), the ESCO may provide estimated additional costs in its IGA pricing proposal. The Agency and selected ESCO will negotiate final costs prior to execution of the IGA and Project Proposal contract.

Fuel Escalation

Please describe your company's approach to fuel escalation rates.

Equipment/Labor Cost Competition

Describe your company's process to solicit bids on equipment/labor or to ensure price/cost competition and the best value for the Agency.

Open Book Pricing

Open book pricing is full disclosure by the contractor to the Agency and AEO of all costs and markups for materials, labor, and services received during the project development, implementation, construction, and performance period phases. Open book pricing requires such that all costs, including all costs of subcontractors and vendors, are fully disclosed if requested by the Agency at any time in a project, not just at the closing of the project. Describe your company's approach to open book pricing and its method for maintaining cost accounting records on authorized work performed under actual costs for labor and material, or other basis requiring accounting records.

Project Cost and Pricing Elements

Once the Agency has selected an ESCO, estimated project costs and pricing elements will be negotiated and become part of the final IGA contract. The pricing table format to be used is provided in Exhibit C, AEPC Investment Grade Audit and Project Development Contract.

For the purposes of the IGA contract, an ESCO may provide estimated cost percentage ranges for each of the elements. Once the IGA is completed and final scope is developed, the ESCO will provide true costs for which each category must fall within the proposed percentage range. ESCOs agree to use the cost and pricing values when developing a final IGA and Project Proposal.

Please describe your company's approach to EPC project cost and pricing.