

CITY OF KNOXVILLE

REQUEST FOR PROPOSALS

Energy Performance Contracting Services

(DRAFT CONCEPT AS OF 30 AUGUST, 2007)

STATEMENT OF INTENT

The City of Knoxville is requesting proposals from responsible firms or teams to provide **Energy Performance Contracting Services through a “performance based contract.”** The intent is to hire a contractor to conduct an energy audit of all City-owned facilities and execute an energy performance contract that will identify and implement energy-reducing capital improvements, determine and implement energy saving measures, and implement optimal operation and maintenance procedures to reduce energy consumption and related costs in facilities such that annual cost savings are applied to annual payments for improvements. The City desires to execute this contract on a guaranteed performance contract basis for those projects which have a positive return on investment or reduce energy consumption. The City’s desire is to use future energy savings to pay for up-front costs of energy-saving projects eliminating the need to dip into the City’s capital budgets.

SCOPE OF SERVICE.

The winning proposer will first complete an investment grade technical energy audit that will include an analysis of each proposed project with projected energy and cost savings and itemized project cost. The selected firm will present a proposal that includes recommended projects, financing term and projected annual cash-flow analysis, and also will propose terms for the performance contract. The results of the audit and proposal will form the basis for a subsequent Energy Performance Contract.

PROJECT GOALS:

1. Reduce energy consumption (gas, water, and electric) and the utility costs pertaining to energy consumption.
2. Maintain or improve comfort conditions.
3. Replace or upgrade old and inefficient systems to the extent that such replacements/upgrades help reduce energy consumption and related costs.
4. Develop a long-term plan for preventive maintenance of any new heating, cooling, or water related systems implemented as a result of the contract.
5. Enhance personnel training with regard to energy efficiency and maintenance of energy efficient systems.

FOUR PROJECT PHASES:

1. **PHASE ONE -- Review of Billings** Contractor will review City utility bills for water, gas, and electricity for the past two years (2006 and 2007) to determine the accuracy of the invoices and payments, and to identify and document any and all inaccuracies so that the City can seek reimbursement as needed.
2. **PHASE TWO -- Energy Audit and Project Development** This phase consists of two parts: (1) conducting an energy audit to determine what the City is paying now in terms of gas, water, and electricity per square foot for each of the 74 City-owned buildings/facilities, and to evaluate costs and savings of a variety of energy-saving measures for these facilities; and (2) developing a “project development plan” including financial analysis.
3. **PHASE THREE – Construction, Implementation, and Financing** Upon satisfactory results of the Energy Audit, an Energy Performance Contract will be developed to implement the negotiated and recommended projects. This “Construction, Implementation, and Financing Phase” will consist of conducting and developing: 1) the mechanical and architectural engineering designs for the implementation of energy-saving equipment and construction; 2) procurement and installation of new equipment and refurbishing of existing equipment; 3) construction management (*i.e.*, overseeing any and all contractors the City may use to build or install energy saving equipment); 3) the financing plan to help fund the capital improvements needed to implement the energy saving equipment and construction projects.
4. **PHASE FOUR – Commissioning, Guarantee, and Monitoring** Upon completion of construction and equipment installation, the contractor will offer a variety of services to ensure savings are met, such as a savings guarantee, staff training, follow-up monitoring, and contract maintenance services.

EVALUATION CRITERIA:

1. QUALIFICATIONS, EXPERIENCE, AND FINANCIAL SOUNDNESS OF THE SUBMITTING ORGANIZATION (20 points) Provide your organization's demonstrated experience and capabilities with regard to projects of similar size and scope. Note that "projects of similar size and scope" is understood to include development and execution of performance contracts to furnish energy efficiency improvements in public buildings, as well as, institutional or commercial facilities of similar size and use.

Additionally, provide the balance sheet and profit and loss statement for your organization for the year ending December 31st, 2006. Favorable consideration will be given to firms that demonstrate the financial strength required to ensure the successful implementation of the capital projects and ongoing energy guaranty and technical support services.

Provide a minimum of five (5) guaranteed performance contracts for projects of comparable size or larger listing the scope, capital cost energy and operational savings that were implemented. *Energy audits will not be considered if the actual energy performance contract was not implemented.* Also provide a list of all other guaranteed projects for institutional and commercial facilities. Respondents should emphasize their comprehensive offerings that may benefit this project and future district initiatives.

2. PROJECT TEAM EXPERIENCE AND EXPERTISE (30 points) Provide resumes for your Project Manager and Project Team for this particular project (by name) specifying their educational credentials and professional experience. The City reserves the right to interview members of the respondents' teams as needed. Preference will be given to proposals demonstrating an ability to carry out the tasks and responsibilities outlined in the proposal and the performance of all contract obligations throughout the contract term in a prompt and efficient manner. Respondents must provide references that will identify mobilization capabilities to meet the intended start date to perform work in accordance with the districts' schedule with minimum interruption to the educational environment.

3. TECHNICAL APPROACH TO THIS PROJECT (25 points) Proposals will be evaluated on the soundness and detail of presentation of technical strategies proposed for meeting the City's energy efficiency objectives. The proposal should include descriptions of improvements to the physical facilities and describe the integration of other relevant services such as training, maintenance, energy procurement, and measurement and verification of savings.

4. COST AND PRICING (25 points) A qualifications-type analysis will be used to evaluate costs, with an emphasis on the approach to pricing and reasonableness of pricing. This will involve a combination of "price analysis" and "cost analysis" such that the City's "Energy Task Force" will use judgment, knowledge, and experience to determine reasonableness and consistency of pricing, and to evaluate costs based on established catalog and market prices, historical prices, and independent cost estimates.

TIMELINE

Availability of RFP	Oct 1, 2007
Deadline to submit Site Visit Registration Form (Exhibit A)	Oct 22, 2007
Mandatory Site Visit (2 days).....	Oct 30, 2007
Final date to submit questions to the Purchasing Agent.....	Nov 13, 2007
Proposals Due Date.....	Nov 27, 2007
Selection process and interviews with selected firms	Nov 27-Dec 18, 2007
Recommendation of Contractor to City Council	Jan 1, 2008
Contract Start Date	Feb 4, 2008