

***Insert name of agency/university***

**REQUEST FOR PROPOSAL  
FOR GUARANTEED ENERGY SAVINGS  
PERFORMANCE CONTRACTING**

**RFP #**

***(Standard File Number)  
(Year-Agency/University-Project Number)***

***(for example - 04-UNCC-01)***

**REQUEST FOR PROPOSALS FOR**  
*Insert name of agency/university*  
**STATE OF NORTH CAROLINA**  
**GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACT**  
**TABLE OF CONTENTS**

	<b>Page</b>
PART 1 – GENERAL INFORMATION	3
PART 2 – PROPOSED PROJECT SCHEDULE	10
PART 3 – EVALUATION PROCESS AND CRITERIA	11
PART 4 – SUBMISSION OF PROPOSALS	13
SIGNATURE PAGE (to be first page of Proposal)	22
ATTACHMENT A – ECM MATRIX	23
ATTACHMENT A-1 – ECM COST / SAVINGS MATRIX	24
ATTACHMENT B – ESCO's PRELIMINARY COST PROPOSAL (Using interest rate provided by Office of State Treasurer)	25
ATTACHMENT B-1 – ESCO's PRELIMINARY COST PROPOSAL (Using best rate ESCO can arrange)	26
ATTACHMENT C – PRELIMINARY ANNUAL CASH FLOW ANALYSIS (Using State Treasurer's Rate)	27
ATTACHMENT C -1 – PRELIMINARY ANNUAL CASH FLOW ANALYSIS (Using ESCO's Rate)	28
APPENDIX I – MINIMUM INSURANCE REQUIREMENTS	29
APPENDIX II – FACILITIES TO BE ANALYZED	
APPENDIX III – GUIDELINES FOR MINORITY BUSINESS PARTICIPATION	
APPENDIX IV – INVESTMENT GRADE ENERGY AUDIT CONTRACT	
APPENDIX V – ENERGY SERVICES AGREEMENT	

*Insert name of agency/university*  
**STANDARD REQUEST FOR PROPOSAL**  
**GUARANTEED ENERGY SAVING PERFORMANCE CONTRACT**

1. **GENERAL INFORMATION**

1.1. **Issuing Office:** This RFP is issued by the (State Agency or University) (hereinafter referred to as "Issuer"). **The following Issuing Officer is the sole point of contact for this RFP:** *(Insert correct contact person information) (Include name, address, title, telephone number, and email address)*

1.2. **Purpose.** This Request for Proposals (RFP) contains the information provided by Issuer and requirements for Energy Service Companies ("ESCO" or "Applicant") who have been pre-qualified by the State of North Carolina to prepare and submit to the Issuer a Preliminary Technical and Cost Proposal for a guaranteed energy savings contract (referred to herein as the "Guaranteed Energy Savings Contract"). The ESCO's response to this RFP (the "Proposal") must be based on the ESCO's assessment of the facilities selected by the Issuer and listed in Appendix II. The Issuer reserves the right to consider additional energy conservation measures as that term is defined in N.C.G.S. § 143-64.17(1) ("ECMs") identified during the investment grade audit for evaluation and inclusion in the project. This RFP, including any amendments, contains the only instructions governing the proposals and material to be included therein; a description of the service to be provided by the successful applicant; general evaluation criteria; and other proposal requirements.

1.3. **Mandatory pre-proposal meeting:** A mandatory Pre-proposal Meeting will be conducted by \_\_\_\_\_ on \_\_\_\_\_ at the \_\_\_\_\_ at \_\_\_\_\_ (AM/PM) in the \_\_\_\_\_ conference room. Any questions should be directed to \_\_\_\_\_ at \_\_\_\_\_.

**Proposals from ESCOs who fail to attend the pre-bid meeting will receive no consideration.**

**ALL REQUIRED INFORMATION MUST BE SENT TO THE FOLLOWING ADDRESS NO LATER THAN \_\_\_\_ AM/PM, EASTERN STANDARD TIME, ON \_\_\_\_\_ (insert date) (the "Submission Deadline"):**

**NEWSPAPER ADVERTISEMENT TO BE PLACED BY ISSUER WITH A NEWSPAPER OF GENERAL CIRCULATION ANNOUNCING ISSUANCE OF THIS RFP AND THE DEADLINE FOR RESPONSES.**

**ALL PROPOSALS WILL BE OPENED AND ANNOUNCED AT (TIME), (DATE), (PLACE) (the "Opening Date").**

**REQUIRED INFORMATION MUST BE SENT TO THE FOLLOWING ADDRESS *(Insert appropriate contact person and address and any applicable labeling instructions.)***

1.4. **Objective:** The objective of the Issuer in issuing this RFP is to maximize energy cost saving and related costs in order to pay for facility upgrades to facilities listed in Appendix II and services that will be financed through a Guaranteed Energy Savings Contract at no cost to the Issuer. The services may include but are not limited to: (1) A preliminary technical scoping audit to be performed on the facilities identified in Appendix II, (2) An investment grade audit to be conducted on all Project Sites to identify appropriate ECMs, (3)

The design, acquisition, installation, modification, commissioning and maintenance of the ECMs (4) The training of staff in the operation of existing equipment and new ECMs, (5) Savings which would not reduce consumption per se but are aimed at cost savings, such as fuel switching, demand reductions, on-site generation, utility bill auditing, utility rate changes, distribution upgrades etc.). **Any stipulated energy and/or operational cost savings that may be attributed to this project will be rigorously reviewed and, if agreed to, will be limited to those that can be thoroughly documented and approved by the Issuer.**

No Guaranteed Energy Savings Contract shall exceed 20 years in duration from the date of acceptance of the project, as defined in § 142-64, and must comply with all other applicable statutes, regulations, and procurement laws. The cost savings achieved by the installed ECMs must be sufficient to cover all project costs including annual maintenance and monitoring fees on an annual basis for the duration of the term of the Energy Savings Performance Contract.

**The ESCO must guarantee sufficient energy and cost savings to enable the Issuer to meet its payment obligations to the ESCO and the entity financing the Guaranteed Energy Savings Contract. ESCOs will be required to guarantee energy and cost savings on an annual basis. No credit for the achievement of savings above and beyond the annual guarantee will be credited to satisfy performance guarantees in other years of the contract. Annual reconciliation of the achieved savings will be required.**

1.5. **Guarantee Requirements:** The Office of State Treasurer has determined that the following general types of security for the guaranteed energy savings would be acceptable, however specific instruments of security as part of a financing contract for energy conservation measures will need to be approved by the Office of the State Treasurer as per N.C.G.S. § 142-64(a) for each guaranteed energy savings contract. These general types are:

- 1.5.1. **A corporate guarantee** by the ESCO provided that the ESCO has a long-term investment grade corporate rating from one or more of the national credit rating agencies. Currently, this would be a minimum rating of BBB from Standard and Poor's, Baa from Moody's Investors Service, or BBB from Fitch Ratings.
- 1.5.2. **A corporate guarantee** from the parent company of an ESCO which is owned as a subsidiary of the parent. The parent company would be required to maintain a long-term investment grade rating from one or more of the national credit rating agencies (see above.)
- 1.5.3. **An irrevocable letter of credit** from a financial institution which covers the entire term of the contract, without need of renewal.
- 1.5.4. **A surety bond** which covers the entire term of the contract, without need of renewal.
- 1.5.5. **Financing by the qualified provider** or ESCO in which the qualified provider or ESCO provides all financing required for the entire term of the contract. Financing may only be transferred or assigned to the extent that energy savings are realized, and State property may not be encumbered in any form as part of the financing.

All forms of security would be required to be in place at the initiation of the guaranteed energy savings contract covering the entire contract term and 100% of the total cost of the guaranteed energy savings contract. In the case corporate guarantees, should the guarantor's credit rating drop below long-term investment grade, the guarantor is required to inform the governmental unit, the State Energy Office, and this Office within 30 days and replace the corporate guarantee with one of the other forms of security acceptable to Office of the State Treasurer.

1.6. **Description of the Procurement Process:** The process for the procurement of these guaranteed energy savings services will proceed as follows:

1.6.1. **Solicitation of proposals.** The Issuer will issue a request for proposals that is open to all ESCOs who have been prequalified by the State Energy Office. Notice of the request must be published at least 15 days in advance of the time specified for opening of the proposals in at least one newspaper of general circulation in the geographic area in which the facility or facilities are located. In addition, the Issuer will place a notice regarding the solicitation on the State Energy Office home page with instructions on how to obtain the solicitation. No guaranteed energy savings contract will be awarded by the governmental unit unless at least two proposals have been received from pre-qualified ESCOs; except that if after the publication of the notice of the request for proposals, fewer than two proposals have been received from qualified providers, the governmental unit shall re-publish notice of the request. If as a result of the second notice, only one proposal from a pre-qualified ESCO is received, then the Issuer may select the ESCO provided that the proposal meets the requirements of the RFP.

1.6.2. **Opening of proposals.** Proposals are to be opened in accordance with the instructions in Section 1.3. All proposals received by the specified time will be opened by a member or employee of the Issuer at a public opening who will announce the name of the ESCO submitting Proposal and verify the execution of the signature page by the ESCO submitting the Proposal. Unsigned proposals will be rejected

1.6.3. **Evaluation of proposals.** Responding ESCOs shall conduct a preliminary scoping audit of the facilities listed in Appendix II. This preliminary audit will form the basis of the ESCO's written Preliminary Technical and Cost Proposal included with its Proposal. The Proposal must be in substantial conformity with the specifications and other conditions set forth in the RFP. The Issuer will evaluate or cause its designated representatives to evaluate the ESCO Preliminary Technical and Cost Proposals. The proposal must be evaluated by at least one licensed architect or registered engineer. The evaluation shall be based on the criteria listed in Part 3 of this RFP.

1.6.4. **Client reference checks.** The Issuer will review and evaluate the ESCO client references provided in the ESCO's Proposal in accordance with the evaluation criteria identified in Part 3.

1.6.5. **Shortlist.** The Issuer will select (shortlist) ESCOs on the basis of the rankings of the written proposal and the client references.

- 1.6.6. **Oral interview.** Each shortlisted ESCO will be required to participate in an oral interview. The purpose of this session is to clarify specific aspects of the technical proposal and to answer questions posed by the evaluation team. These oral interviews may be tape recorded. ESCO responses given in the oral interview will be part of the overall evaluation, but the ESCO will not be allowed to vary the written Proposal nor improve the competitive position of the ESCO.
- 1.6.7. **Selection of ESCO to develop the project.** The Issuer will select the best qualified ESCO to conduct an investment grade technical energy audit as that term is defined in 01 NCAC 41B .0104(6) (the "Audit") of the Project Sites listed in Appendix II and propose:
- A complete set of ECMs, including all project costs;
  - A timetable for completing design, engineering bid specifications, and construction work;
  - A detailed description of services to be provided;
  - Specific financing arrangements and terms;
  - Projected energy and cost savings, and
  - Any special conditions offered by the ESCO.

If the results of the Audit are not within ten percent (10%) of both the guaranteed savings contained in the proposal and the total proposal cost, either the Issuer or the ESCO may terminate the project without incurring any additional obligation to the other party. However, if the Issuer terminates the project after the Audit is conducted and the results of the Audit are within ten percent (10%) of both the guaranteed savings contained in the proposal and the total proposal amount, the Issuer shall reimburse the ESCO the fee indicated for the completed Audit report as set forth in Attachment B1. The results of the Audit shall then become the property of the Issuer. Upon approval and acceptance of the Audit, the Issuer shall not be liable for the payment of any amounts to the selected ESCO until a guaranteed energy savings contract is executed.

- 1.7. **Type of Contracts:** The successful applicant will be required to enter into an Investment Grade Audit Agreement ("IGAA") that substantially conforms to the IGAA located in Appendix IV. Where the Issuer elects to enter into a Guaranteed Energy Savings Contract after the ESCO performs an investment grade audit, the ESCO will be required to enter into a Guaranteed Energy Savings Contract in substantially the same form to that located in Appendix V. The proposed term of the Guaranteed Energy Savings Contract shall be for a maximum of twenty (20) years. The Issuer shall own all installed equipment which shall be free and clear of all liens and encumbrances upon transfer of ownership to the Issuer.
- 1.8. **Rejection of Proposals:** The Issuer reserves the right to reject any and all proposals received.
- 1.9. **Incurring Costs:** The Issuer is not liable for any cost or expenses incurred by ESCOs in the preparation of their Proposals or for attendance at any conferences and meetings related to this RFP.

- 1.10. **Amendments to the RFP:** If it becomes necessary to revise any part of this RFP, an amendment will be issued to all pre-qualified ESCOs. If any ESCO has questions prior to opening the proposal, those questions must be submitted and answered in writing in accordance with the schedule listed in Part 2. A copy of all questions and answers submitted will be sent to all pre-Qualified ESCOs.
- 1.11. **Error / Clarification:** When an offer contains an obvious error or otherwise where an error is suspected, the circumstances may be investigated and then may be considered and acted upon. Any action taken shall not prejudice the rights of the public or other offering companies. Where offers are submitted substantially in accordance with this RFP but are not entirely clear as to the intent or to some particular fact where there are other ambiguities, clarification may be sought and accepted provided that, in doing so, no change is permitted in prices.
- 1.12. **Restriction of Contact:** From the date this RFP is issued until a determination is made regarding the final selection of an ESCO for the Project, all contacts with the Issuer concerning this RFP shall be made in writing through the Issuing Officer only.
- 1.13. **Debriefing:** As a courtesy, the Issuer will notify in writing ESCOs who are not selected within a reasonable period following the Issuers selection of an ESCO pursuant to this RFP.
- 1.14. **Proposals:** To be considered, Proposals must include responses to all requests for information in this RFP. Proposals must be straightforward, concise presentations without extraneous material. Font size may be no smaller than 10 point. The ESCO shall make no other use of the proposal. An official authorized to bind the ESCO must sign the proposal. The proposal shall constitute a valid firm offer **for 90 days** after the opening of proposals submitted pursuant to this RFP. The contents of the proposal of the selected ESCO will become part of the ESCO's contractual obligations to the extent that the proposal does not conflict with provisions of this RFP.
- 1.15. **Site Visits:** The Issuing Officer or his or her designated representative, will arrange inspection tours of the buildings to be audited. Site representatives will be available to escort ESCOs and their representatives through the facilities. Questions arising out of these tours shall be submitted in writing to the Issuing Officer. Technical information supplemental to material contained in this RFP will be made available for review and inspection onsite. Only pre-qualified ESCOs responding to this RFP and whose representatives have attended the pre-bid meeting are eligible to participate in these site visits.
- 1.16. **Late Offers, Modifications or Withdrawals:** No late offer, late modification, or late withdrawal shall be considered unless received before Opening Date, and the offer, modification, or withdrawal would have been timely but for the action or inaction of one of the Issuer's employees or agents. The ESCO shall bear the sole responsibility of having its proposal delivered on time, regardless of the mode of delivery used, including the U.S. Postal Service or any other delivery services available. The time allowed for the acceptance of offers may be extended by the Issuer.

- 1.17. **Minority Business Participation:** In accordance with N.C.G.S. § 143-128, State agencies and universities have adopted a policy to achieve verifiable goals of participation by minority businesses in each renovation project. A copy of guidelines is included in Appendix III. All applicants shall comply with the policy and guidelines.
- 1.18. **Contractor Responsibility:** The selected ESCO will be required to assume total responsibility for all services and/or equipment offered in the Proposal. The selected contractor is responsible for obtaining all applicable permits and meeting all licensing requirements. The selected contractor will be considered the Prime Contractor and the sole point of contact with regard to the Project.
- 1.19. **Payment and Performance Bond:** The selected ESCO shall be required to provide construction payment and performance bonds in conformance with NCGS § 44-A, Article 3 and in the amount of 100% of the total financed project cost as shown on Attachment B1. The ESCO's proposal must include the form of two payment and performance security instruments as follows:
- 1.) The first security instrument, a payment and construction performance bond, is to be conditioned for the faithful performance and fulfillment of the installation of the Energy Conservation Measures and which shall be valid until the completion of the installation work, with construction approved by the Issuer and accepted on behalf of the State
  - 2.) The second security instrument shall be a written guarantee, which will be contained in the contract, which states that the annual energy or operational costs savings will meet or exceed the total cost of the contract, including financing, installed equipment costs, contract security instruments required by the Office of State Treasurer, an annual fee for a third party engineer, and measurement and verification for the entire length of the contract period (up to maximum of 20 years). This guarantee instrument must be in a form and amount acceptable to the Office of State Treasurer and may include, but is not limited to: a performance bond, a letter of credit, an insurance policy, a corporate guarantee of the ESCO, a corporate guarantee of the ESCO's parent company, or financing of all costs for the full term of the contract.
- 1.20. **References and Proprietary Information:** Submission of a Proposal grants permission to the Issuer to make inquiries concerning the respondent and its officers to any persons or firms deemed appropriate by Issuer. Any proprietary information will be treated as provided for in N.C. Public Records Act. Data or information so identified will be used by the Issuer solely for the purpose of evaluation and contract negotiations.
- 1.21. **North Carolina Products:** Where quality and availability allow, specifications shall be based on products manufactured by and services provided by North Carolina businesses. This special interest in North Carolina products is intended to encourage and promote their use, but shall not be exercised to the exclusion of other products or to prevent fair and open competition.
- 1.22. **Proposal Funding:** Responding ESCOs must be willing and able to arrange the capital investment required to fund this proposal. Neither the IGSS nor the Guaranteed Energy Savings Contract shall be funded with or encumber State funds, unless authorized under N.C.G.S. §143-64.17B.

The Office of the Treasurer has estimated the cost of financing for the purposes of this RFP as the percentage shown in Attachment B. This estimate shall not be binding upon the State and is subject to change by the Office of the Treasurer. The Treasurer may reject any potential contract if the actual cost of financing has exceeded the estimated cost of financing when the contract is submitted to the Office of the Treasurer for approval. The ESCO shall submit with its Proposal two (2) options for financing:

- 1.) A total contract cost option and cash flow analysis using the Office of the Treasurer financing as described above. This is the basis for Attachment "B" and Attachment "C".
- 2.) A total contract cost option and cash flow analysis based on ESCO or third party financing at best available rate. This is the basis for Attachment "B-1" and Attachment "C-1".

1.23. **Annual Reconciliation:** The ESCO shall, on an annual basis, reimburse the agency for any shortfall in guaranteed energy savings projected in the Guarantee Energy Savings Contract. The energy savings shall be monitored continuously, reported quarterly, and reconciled on an annual basis, commencing with the date of the Certification of Final Acceptance to be signed by the Issuer. The reconciliation report is due no more than 60 days from the anniversary of the Certification of Final Acceptance. In the event that the actual savings are less than the guaranteed savings, the ESCO shall provide cash reconciliation of the difference within thirty (30) calendar days of written demand by the ISSUER. A surplus in any one year shall not be carried forward or applied to a shortfall in any other year.

1.24. **Independent Consulting Engineer:** The Issuer will designate an engineer to act as the Issuer's representative, who shall be a Professional Engineer or Architect licensed in North Carolina and who shall evaluate the proposals based on the evaluation criteria stated in this RFP. The engineer or architect may be selected from the Issuer's staff, requested from DOA, or a third-party engineer or architect may be engaged by the Issuer.

The ESCO shall include [\$ ] for a consulting engineer or architect, not affiliated with the ESCO, and selected by the Issuer. This cost shall be financed and paid from the savings for the contract life. The ESCO shall also include an annual cost of [\$ ] for the consulting engineer or architect to review the reconciliation report.

## 2. ANTICIPATED PROJECT SCHEDULE

*(Agency/University)*

<u>Activity</u>	<u>Date</u>
Issue RFP	start
Mandatory pre-bid meeting	Week 1
Site Visits (to be arranged)	Week 1
Questions due	Week 7
Answers distributed	Week 8
Proposals Due	Week 10
Proposals Reviewed, Evaluated and Ranked	Week 11
Oral Interviews	Week 12
ESCO Selected	Week 13
Audit Contract Negotiated	Week 15
Audit Conducted	Weeks 16-46
Financial RFP	Week 47
Contract Preparation and review SCO approval For UNC - BOG approval Financial RFP and contract Treasurer and OSBM approval COS approval	Weeks 48-52
Contract Presented and Signed	Week 52

### 3. EVALUATION PROCESS AND CRITERIA

Each proposal will be reviewed for completeness and scored pursuant to the evaluation criteria as described in this section.

3.1. **Completeness.** Responses will be initially evaluated based on the completeness and quality of the information provided in Part 4, ESCO Proposal: Sections 1 through 18, Attachments A and A-1 ECM matrices, Attachment B and B-1 preliminary cost proposals, Attachment C and C - 1 preliminary cash flow analyses. A Proposal will be considered complete if all requested sections are included in the proper order and properly completed. Incompleteness may cause an ESCO's proposal to be disqualified.

3.2. **Evaluation Criteria.** *The issuer may adjust point values and add or delete criterion they deem necessary to meet their needs.* The Issuer will utilize the following criteria in its evaluation of proposals:

#### Proposal and ESCO Appraisal

<u>Criterion</u>	<b>Point Value</b>
Clarity, organization, and level of detail in written proposal	5
Substantial conformity with RFP requirements	5
ECMs included meet Issuer's expectations	10
Quality of proposed project staff to be assigned	5
General reputation, reliability, working relationship and performance capability of the ESCO	5
Proposed training meets Issuer's requirements	5
<b>Total:</b>	<b>35</b>

#### Technical Approach

<u>Criterion</u>	<b>Point Value</b>
Quality of baseline calculations and knowledge of existing conditions	5
ESCO identified additional ECMs not referenced in this RFP	5
Quality of ECMs in response	10
Implementation schedule achievable	5
Quality of proposed project-specific Commissioning Plan	5
Quality of proposed project-specific Maintenance Plan	5
Quality of proposed project-specific Measurement and Verification Plan	5
Understanding of customer's operation, and challenges	5
Additional benefits to Issuer identified in proposal	5

<b>Total:</b>	<b>50</b>
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### Financial Approach

<b><u>Criterion</u></b>	<b>Point Value</b>
Reasonableness of proposed financing arrangement and financial analysis assumptions proposed for this project	5
Reasonableness of the Preliminary Cost Proposal	3
Dollar value of projected energy savings	3
Dollar value of projected operating savings and clarity of supporting documentation	4
Reasonableness of investment grade energy audit costs	3
Subcontractor prices offered are reasonable	2
Markups fair and reasonable	5
Proposed costs of construction, financing, maintenance and training	5
<b>Total:</b>	<b>30</b>

### Oral Interview

<b><u>Criterion</u></b>	<b>Point Value</b>
Quality of communication skill exhibited by ESCO representatives	5
Demonstrated clear understanding of the Issuer's needs	5
Answered questions in concise manner staying on topic	5
Presenters were knowledgeable and professional	5
ESCO had appropriate project specific employees present	3
<b>Total:</b>	<b>23</b>

**Grand Total:**

**138**

### 3.3. Review of RFP Responses

The Issuer, or their designees, will evaluate each Proposal to this RFP pursuant to criteria listed in section 3.2 above. The evaluators will grade the Proposals on their merit and responsiveness to the needs of the Issuer. Responses will be evaluated in light of the material and substantiating evidence presented in the Proposal. The evaluation process may include verification of references, confirmation of financial information, and may also include interviews, site visits, or other information as directed by the Issuer.

In accordance with § 143-64.17A sections (c) and (c1) the evaluation team will include a licensed architect or engineer (to be designated by the Issuer). The cost of this architect or engineer shall be included in the total cost of the contract.

### 3.4. Final Selection and Notification

The ESCO who is deemed by the Issuer to provide the best overall program will be selected. The Issuer reserves the right to reject any and all proposals received and is not

required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. The Issuer will reasonably notify each responder of the successful ESCO.

4. **SUBMISSION OF PROPOSALS**

4.1. Form of Proposal.

All Proposals must be submitted on "8 ½ x 11" sheets of paper (unless specifically exempted from this requirement below) that are numbered sequentially and use labeled tabs to separate sections. Font size must be no smaller than 10 point. Applicants must also include a Table of Contents that indicates the section and page numbers corresponding to the information included. The Applicant must submit to the Issuer one original, two hard copies and one electronic copy of its complete Proposal.

4.2. Content of Proposal.

Each Applicant is required to complete all sections listed below.

**Section 1:** Company profile and history. ESCO shall comply with proper contractor licensing requirements to perform construction if selected. Indicate on page one of this section the license under which work will be performed. (4 page limit single sided)

**Section 2:** Project summary (4 page limit single-sided)

**Section 3:** Project team including resumes

<b>Name of Project Team Member:</b>	
<b>Current Job Title: Job responsibilities: Number of years with ESCO: Primary Office Location:</b>	
<b>Employment History Company Name: Primary job responsibilities: Number of years with firm:</b>	
<b>Educational Background List all academic degrees, certifications,  professional affiliations, relevant publications  and technical training.</b>	
<b>List all energy performance contracting  projects this individual has been involved</b>	

<b>with during past 5 years. Include project location, type of facilities, year implemented and dollar value of installed project costs.</b>	
<b>Describe the specific role and responsibilities this individual had for each listed project.</b>	
<b>Provide a detailed description of the role and responsibilities this individual will have for the duration of this project.</b>	
<b>Describe any other relevant technical experience.</b>	
<b>Indicate the total years of relevant energy-related experience for this individual.</b>	

**Section 4:** Existing Conditions. Applicant must describe both known existing conditions and baseline calculations and assumptions.

**Section 5:** Energy Conservation Measures.

**Section 5.1:** ECMs included in Proposal. **The Cost includes: Labor Costs, Subcontractor Costs, Cost of Materials and Equipment and Related Items. It does NOT include ESCO overhead, mark-up, or profit.** For each ECM present data in following format:

ECM ID \_\_\_\_\_

Building \_\_\_\_\_

Cost \$ \_\_\_\_\_ Annual Savings \$ \_\_\_\_\_

Energy reduction \_\_\_\_\_ (state units)

IPMVP Volume 1 version 9/2010 M&V protocol to be used \_\_\_\_\_

Assumptions \_\_\_\_\_

Narrative including product recommendations \_\_\_\_\_

**Section 5.2:** ECMs Considered but not included. Be sure to state reason for rejection.

**Section 5.3:** **Details of work** that will be performed outside of the United States.

**Section 6:** Operational savings: Labor savings may be considered in cost savings only if an occupied position is eliminated as a result of the Project. Include the number of years savings will be realized.

**Section 7:** Project commissioning plan. Provide general outline for each building.

**Section 8:** Projected maintenance plan for installed equipment. The plan should describe how each ECM will be maintained over the duration of the contract period. The plan should identify who is responsible for maintaining and repairing equipment installed. In particular it should address how building automation or other electronic systems will be kept updated and current.

**Section 9:** Describe your firm's plans for the disposal and recycling of any equipment or materials removed from the premises as part of an ECM. Be sure to include proper tracking of hazardous materials such as lamps and ballasts.

**Section 10:** Provide project implementation schedule with milestones. The "8 ½ x 11" sheet size limitation does not apply to this section.

**Section 11:** Describe your approach to training both during implementation and during guarantee period. Provide details on number of participants expected, topics and costs.

**Section 12:** Provide your proposed approach to project financing and assistance. Include an actual template of the form of guarantee to be provided. The guarantee must be one of the five forms accepted by the Department of State Treasurer (see Part 1.5).

**Section 13:** Provide information on positive and/or negative impacts that the installation of recommended ECMs may have on air quality emissions, waste reduction, health, occupant comfort or other items not specifically requested. This can refer to such non-tangible benefits such as improvements to the learning environment, teaching opportunities, green building considerations, greenhouse gas reductions, anti-drought measures

**Section 14:** Open book pricing is required. Describe your firm's approach and experience in providing open-book pricing. The ESCO will fully disclose all costs, including all costs of subcontractors and sub-tier vendors. The ESCO will maintain cost accounting records on authorized work performed showing actual costs for labor and materials, or other basis requiring accounting records. The ESCO will provide access to records and preserve them for a minimum of three years and if any federal funds are used to support the Contract, for five years. The retention period runs from the date of payment for the relevant goods or services by the Issuer or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

**Section 15: References.** Using the forms included, list at least 3 energy performance contracting projects in repayment by and currently under contract with your firm. Limit your Proposal to ONLY those projects that have been managed directly by the specific branch, division, office or any individual in such branch, division or office who will be specifically assigned to this project. Attach additional sheets as necessary. Please put an asterisk by any project references involving buildings similar to the building(s) described in the Appendix II. **All information requested is required.**

**Project Table:**

<b>Project Name and Location; Number of Buildings; Primary Use; Total square footage</b>	
<b>Project Dollar Amount (installed project costs); Source of Project Financing</b>	
<b>Primary ECMs Installed; ESCO Services Provided</b>	
<b>Construction Start &amp; End Dates</b>	
<b>Contract Start &amp; End Dates</b>	
<b>Dollar Value and Type of Annual Operational Cost Savings (if applicable) (e.g., outside maintenance contracts, material savings, etc.)</b>	
<b>Method(s) of Savings Measurement and Verification</b>	
<b>Provide CURRENT and ACCURATE telephone and FAX numbers of the owner(s)' representatives with whom your firm did business on this project. You should ensure that all representatives are familiar with this project.</b>	
<b>Describe the specific roles and responsibilities of ESCO personnel associated with the identified project. Limit your Proposal to only those personnel who will be directly involved in Customer's project.</b>	
<b>ESCO Notes or Comments</b>	

Annual Energy Savings Data Form (Energy Units)

**Name of Project:** \_\_\_\_\_ **Name of ESCO:** \_\_\_\_\_

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
KW Demand							
Therms							
Water(Gallons)							
Other (Specify)							
Other (Specify)							

**Information for each of the headings listed above MUST be completed using the above format. DO NOT provide savings data in terms of BTU's or dollars. Data should be given in the form of fuel units which appear in the utility bills. Additional forms should be reproduced as needed.**

Annual Energy Savings Data Form (Energy Dollars)

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
KW Demand							
Therms							
Water(Gallons)							
Other (Specify)							
Other (Specify)							

**Information for each of the headings listed above MUST be completed using the above format. Provide savings data in terms of dollars for the units saved. Additional forms should be reproduced as needed.**

**Section 16:** Submit SEC Form 10-K for the two most recent years in this section. If Form 10-K is not filed then submit the ESCO's two most recent years audited financial statements.

**Section 17:** Risk responsibility matrix:

1. RESPONSIBILITY/DESCRIPTION	ESCO PROPOSED APPROACH
1. Financial	
<p><b>a. Interest rates:</b> Neither the Contractor nor the Issuer has significant control over prevailing interest rates. During all phases of the project, interest rates will change with market conditions. Higher interest rates will increase project cost, financing/project term, or both. Please state your approach to mitigate fluctuating interest rates.</p>	
<p><b>b. Energy prices:</b> Neither the Contractor nor the Issuer has significant control over actual energy prices. For calculating savings, the value of the saved energy may either be constant, change at a fixed inflation rate, or float with market conditions. If the value changes with the market, falling energy prices place the Contractor at risk of failing to meet cost savings guarantees. If energy prices rise, there is a small risk to the Issuer that energy saving goals might not be met while the financial goals are. If the value of saved energy is fixed (either constant or escalated), the Issuer risks making payments in excess of actual energy cost savings. <b>Clarify how future energy costs will be treated.</b></p>	
<p><b>c. Construction costs:</b> The Contractor is responsible for determining construction costs and defining a budget. In a fixed-price design/build Contract, the Issuer assumes little responsibility for cost overruns. However, if construction estimates are significantly greater than originally assumed, the Contractor may find that the project or measure is no longer viable and drop it before Contract award. In any design/build Contract, the Issuer loses some design control. <b>Clarify design standards and the design approval process (including changes) and how costs will be reviewed.</b></p>	
<p><b>d. M &amp; V costs:</b> The Issuer assumes the financial responsibility for M &amp; V costs directly or through the Contractor. If the Issuer wishes to reduce M &amp; V cost, it may do so by accepting less rigorous M &amp; V activities with more uncertainty in the savings estimates. <b>Clarify how project savings are being verified (e.g., equipment performance, operational factors, energy use) and the impact on M&amp;V costs.</b></p>	

<p><b>e. Delays:</b> Both the Contractor and the Issuer can cause delays. Failure to implement a viable project in a timely manner costs the Issuer in the form of lost savings, and can add cost to the project (e.g. construction interest, re-mobilization). <b>Clarify schedule and how delays will be handled.</b></p>	
<p><b>f. Major changes in facility:</b> The Issuer (or NC State Legislature) controls major changes in facility use, including closure. <b>Clarify responsibilities in the event of a premature facility closure, loss of funding, or other major change.</b></p>	
<p><b>2. Operational</b></p>	
<p><b>a. Operating hours:</b> The Issuer generally has control over operating hours. Increases and decreases in operating hours can show up as increases or decreases in “savings” depending on the M&amp;V method (e.g., operating hours multiplied by improved efficiency of equipment vs. whole-building/utility bill analysis). <b>Clarify whether operating hours are to be measured or stipulated and what the impact will be if they change.</b> If the operating hours are stipulated, the baseline should be carefully documented and agreed to by both parties.</p>	
<p><b>b. Load:</b> Equipment loads can change over time. The Issuer generally has control over hours of operation, conditioned floor area, intensity of use (e.g. changes in occupancy or level of automation). Changes in load can show up as increases or decreases in “savings” depending on the M &amp; V method. <b>Clarify whether equipment loads are to be measured or stipulated and what the impact will be if they change.</b> If the equipment loads are stipulated, the baseline should be carefully documented and agreed to by both parties.</p>	
<p><b>c. Weather:</b> A number of energy efficiency measures are affected by weather. Neither the Contractor nor the Issuer has control over the weather. Changes in weather can increase or decrease “savings” depending on the M&amp;V method (e.g. equipment run hours multiplied by efficiency improvement vs. whole-building/utility bill analysis). If weather is “normalized,” actual savings could be less than payments for a given year, but will average out over the long run. <b>Clearly specify how weather corrections will be performed.</b></p>	

<p><b>d. User participation:</b> Many energy conservation measures require user participation to generate savings (e.g., control settings). The savings can be variable and the Contractor may be unwilling to invest in these measures. <b>Clarify what degree of user participation is needed and utilize monitoring and training to mitigate risk.</b> If performance is stipulated, document and review assumptions carefully and consider M&amp;V to confirm the capacity to save (e.g., confirm that the controls are functioning properly).</p>	
<p><b>3. Performance</b></p>	
<p><b>a. Equipment performance:</b> Generally the Contractor has control over the selection of equipment and is responsible for its proper installation, commissioning, and performance. Generally the Contractor has responsibility to demonstrate that the new improvements meet expected performance levels including specified equipment capacity, standards of service, and efficiency. <b>Clarify who is responsible for initial and long-term performance, how it will be verified, and what will be done if performance does not meet expectations.</b></p>	
<p><b>b. Operations:</b> Responsibility for operations is negotiable, and it can impact performance. <b>Clarify responsibility for operations, the implications of equipment control, how changes in operating procedures will be handled, and how proper operations will be assured.</b></p>	
<p><b>c. Preventive Maintenance:</b> Responsibility for maintenance is negotiable, and it can impact performance. Clarify how long-term preventive maintenance will be assured, especially if the party responsible for long-term performance is not responsible for maintenance (e.g., Contractor provides maintenance checklist and reporting frequency). <b>Clarify who is responsible for long-term preventive maintenance to maintain operational performance throughout the Contract term. Clarify what will be done if inadequate preventive maintenance impacts performance.</b></p>	
<p><b>d. Equipment Repair and Replacement:</b> Responsibility for repair and replacement of Contractor-installed equipment is negotiable, however it is often tied to project performance. <b>Clarify who is responsible for replacement of failed components or equipment throughout the term of the Contract.</b> Specifically address potential impacts on performance due to equipment failure. Specify expected equipment life and warranties for all installed equipment. Discuss replacement responsibility when equipment life is shorter than the term of the Contract.</p>	

**Section 18:** Utilize section 18 in proposal to place all attachments: A & A1, B & B1 and C & C1.

**PROPOSAL SIGNATURE PAGE (this page should be the first page of the proposal)**

By submitting this proposal, the Applicant certifies the following:

This proposal is signed by an authorized representative of the firm.

It can obtain the bonds and insurance certificates as required.

The cost and availability of all equipment, materials, and supplies associated with the performing of the services described herein have been determined and included in the proposed cost.

All labor costs, direct and indirect, have been determined and included in the proposed cost.

The Applicant has attended the mandatory Pre-Proposal Meeting and is aware of prevailing conditions associated with performing these services.

The potential ESCO has read and understands the conditions set forth in this RFP and agrees to them with no exceptions.

Therefore, in compliance with this Request for Proposals, and subject to all conditions set forth herein, the undersigned offers and agrees.

APPLICANT:

\_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_ FAX: \_\_\_\_\_

FEDERAL EMPLOYER IDENTIFICATION NUMBER: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

Principal Place of Business if different from above:

\_\_\_\_\_

Will any of the work under this contract be performed outside of the United States?

Yes No

(If yes, describe in Part 4.2 Section 5.3)

BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed or printed name)

# ATTACHMENT A

## ECM Matrix

ECM Description	Bldg 1 ID	Bldg 2 ID	Bldg 3 ID	Bldg 4 ID
Lighting	Y	Y	Y	Y
Lighting controls	Y	N	Y	Y
AHU VFDs	N	Y	N/C	N
Etc..				

Y = ECM included in project  
 N = ECM considered but not included  
 N/C = ECM not considered

(may color code if you desire)

**Note:**

- The purpose of this Matrix is to summarize the ECMs considered and included, considered and not included and those not considered in the project by building.
- The above is a sample. Please add columns and rows as necessary to include all buildings and measures addressed in Part 5.
- The "8 ½ x 11" sheet size does not apply to this Attachment.
- If project scope is changed to accommodate Treasurer's interest rate submit separate Attachments for each interest rate.

# ATTACHMENT A1

## ECM Cost / Annual Savings Matrix

ECM Description	Bldg 1 ID		Bldg 2 ID		Bldg 3 ID		TOTALS	
	Cost	Savings	Cost	Savings	Cost	Savings	Cost	Savings
Lighting	25,000	5,000	55,000	12,000	15,000	3,500	SUM	SUM
Lighting controls	49,000	7,000			22,000	6,000	SUM	SUM
AHU VFDs								
<b>TOTALS</b>	<b>SUM</b>	<b>SUM</b>						

Values in dollars = ECM included in project  
 Cell Blank = ECM not included for that building

**Note:**

- The purpose of this Matrix is to summarize the project by ECM by building.
- The above is a sample. Please add columns and rows as necessary to include all buildings and measures addressed in Part 5.
- The "8 ½ x 11" sheet size does not apply to this Attachment.
- If project scope is changed to accommodate Treasurer's interest rate submit separate Attachments for each interest rate.
- As in Part 4 Section 5; the Cost includes: Labor Costs, Subcontractor Costs, Cost of Materials and Equipment and Related Items. It does NOT include ESCO overhead, mark-up, or profit. The sum of all costs shall equal the Estimated Project Cost in Attachments B and B1.

**ATTACHMENT B**

**ESCO's PRELIMINARY COST PROPOSAL  
USING OFFICE OF STATE TREASURER'S STATED INTEREST RATE**

This Preliminary Cost Proposal should be completed for the project using the State Treasurer's stated interest rate (see bottom of form).

AGENCY NAME: \_\_\_\_\_ ESCO NAME: \_\_\_\_\_

TOTAL FINANCED AMOUNT: \$ \_\_\_\_\_ ESTIMATED PROJECT COST<sup>1</sup>: \$ \_\_\_\_\_

Financed Service Fees	Estimated Percentage (%) of Total Financed Amount	Dollar (\$) Value of Service Fees
Investment Grade Energy Audit		
Design Engineering Fees		
Construction Management		
System Commissioning		
First Year Training Fees		
Cost of Guarantee Security Instrument		
Construction Period Interest		
ESCO markup		
3 <sup>rd</sup> party review of IGA		
Other <sup>2</sup>		
Incentives (to be a negative amount) <sup>3</sup>		\$( _____ )
<b>Totals</b>		
<b>Annual Service Fees</b>		
Measurement and Verification (ESCO)		
3 <sup>rd</sup> party review of reconciliation report		
Maintenance		
Equipment Performance Monitoring		
Yearly Training Services		
<b>Totals</b>		

<sup>1</sup> The Estimated Project Cost includes: Labor Costs, Subcontractor Costs, Cost of Materials and Equipment and Related Items. It does NOT include ESCO overhead, mark-up, or profit.

<sup>2</sup> Other fees must be explained

<sup>3</sup> Source of incentives must be explained

The State Treasurer has estimated the cost of financing for this proposal to be \_\_\_\_\_%

Total Financed Amount = Estimated Project Cost + Financed Service Fees

Failure to complete the table as instructed may disqualify the Proposal

**ATTACHMENT B1**

**ESCO's PRELIMINARY COST PROPOSAL  
USING THE ESCO'S STATED INTEREST RATE**

This Preliminary Cost Proposal should be completed for the project using the ESCO's stated interest rate (see bottom of form).

AGENCY NAME: \_\_\_\_\_ ESCO NAME: \_\_\_\_\_

TOTAL FINANCED AMOUNT: \$ \_\_\_\_\_ ESTIMATED PROJECT COST<sup>1</sup>: \$ \_\_\_\_\_

Financed Service Fees	Estimated Percentage (%) of Total Financed Amount	Dollar (\$) Value of Service Fees
Investment Grade Audit		
Design Engineering Fees		
Construction Management		
System Commissioning		
First Year Training Fees		
Cost of Guarantee Security Instrument		
Construction Period Interest		
ESCO markup		
3 <sup>rd</sup> party review of IGA		
Other <sup>2</sup>		
Incentives (to be a negative amount)		\$(_____)
<b>Totals</b>		
<b>Annual Service Fees</b>		
Measurement and Verification (ESCO)		
3 <sup>rd</sup> party review of reconciliation report		
Maintenance		
Equipment Performance Monitoring		
Yearly Training Services		
<b>Totals</b>		

<sup>1</sup> The Estimated Project Cost includes: Labor Costs, Subcontractor Costs, Cost of Materials and Equipment and Related Items. It does NOT include ESCO overhead, mark-up, or profit.

<sup>2</sup> Other fees must be explained

<sup>3</sup> Source of incentives must be explained

The ESCO has estimated the cost of financing for this proposal to be \_\_\_\_\_%

Total Financed Amount = Estimated Project Cost + Financed Service Fees

Failure to complete the table as instructed may disqualify the Proposal

**ATTACHMENT C**

**ESCO's PRELIMINARY ANNUAL CASH FLOW ANALYSIS USING  
THE OFFICE OF THE STATE TREASURER'S STATED INTEREST RATE**

Financed Amount: \_\_\_\_\_  
 Finance Term: \_\_\_\_\_  
 Annual Interest Rate: \_\_\_\_\_  
 Construction Months: \_\_\_\_\_  
 Annual Payment: \_\_\_\_\_  
     Principal: \_\_\_\_\_  
     Interest: \_\_\_\_\_

Escalation Rate by Utility/Fuel\*  
     Electric: \_\_\_\_\_ 2%  
     Natural Gas: \_\_\_\_\_ 2%  
     Steam: \_\_\_\_\_ 2%  
     Water: \_\_\_\_\_ 2%  
     Other (specify): \_\_\_\_\_ 2%  
 Escalation Rate for Annual Fees: \_\_\_\_\_ 2%

Yr.	Calculated Electric Dollar Savings	Calculated Natural Gas Dollar Savings	Other Calculated purchased fuel Dollar Savings	Calculated Water Dollar Savings	Other Please Specify	Calculated Operational Dollar Savings	Total Calculated Dollar Savings	Guaranteed Dollar Savings ( a )	Annual Service Fees ( b )	Financing Cost (P&I) ( c )	Net Savings = a-b-c
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
Total											

**NOTES:** Net savings must never be negative.  
 A surplus in one year cannot be carried forward to create positive cash flow in a subsequent year.

**ATTACHMENT C1**

**ESCO's PRELIMINARY ANNUAL CASH FLOW ANALYSIS USING  
ESCO'S PROPOSED INTEREST RATE**

Financed Amount: \_\_\_\_\_  
 Finance Term: \_\_\_\_\_  
 Annual Interest Rate: \_\_\_\_\_  
 Construction Months: \_\_\_\_\_  
 Annual Payment: \_\_\_\_\_  
     Principal: \_\_\_\_\_  
     Interest: \_\_\_\_\_

Escalation Rate by Utility/Fuel  
 Electric: 2%  
 Natural Gas: 2%  
 Steam: 2%  
 Water: 2%  
 Other (specify): 2%  
 Escalation Rate for Annual Fees: 2%

Yr.	Calculated Electric Dollar Savings	Calculated Natural Gas Dollar Savings	Other Calculated purchased fuel Dollar Savings	Calculated Water Dollar Savings	Other Please Specify	Calculated Operational Dollar Savings	Total Calculated Dollar Savings	Guaranteed Dollar Savings ( a )	Annual Service Fees ( b )	Financing Cost (P&I) ( c )	Net Savings = a-b-c
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
Total											

**NOTES:** Net savings must never be negative.  
 A surplus in one year cannot be carried forward to create positive cash flow in a subsequent year.

# **APPENDIX I**

Insurance Requirements

To be provided by Issuer

# **APPENDIX II**

## **FACILITIES TO BE ANALYZED**

# FACILITIES TO BE ANALYZED

Each building included in the proposal shall be identified and described in the following form. As an alternative however, the building data from the initial application to the State Energy Office maybe attached.

Name of Agency or University:

Division:

Department:

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Address of Building or Complex:

Building Name:

Total Floors:

Building Age: \_\_\_\_\_ - Built in: \_\_\_\_\_ – Addition: \_\_\_\_\_ - Age: \_\_\_\_\_

Number of Buildings:

Building Operator: \_\_\_\_\_ Phone: \_\_\_\_\_

Building Engineer: \_\_\_\_\_ Phone: \_\_\_\_\_

Building Manager: \_\_\_\_\_ Phone: \_\_\_\_\_

Building Type: (Dorm, Office, Classroom)

Building Total Square Footage: \_\_\_\_\_ sq. ft.

Additions/Renovations:

Describe Renovations:

Operating Schedule: Daily: \_\_\_\_\_ Weekend: \_\_\_\_\_

Electric Meter for Building:

Gas Meter for Building:

Water Meter for Building:

Steam Meter for Building:

Chilled Water Meter for Building:

## **Issues to be Addressed by Performance Contract**

(Include a short description of proposed project: Including problems to be addressed and technologies/equipment that may be required)

## **Special Needs or Circumstances**

(May include critical temperature or humidity needs, security precautions, building availability, etc.)

# **APPENDIX III**

## Minority Business Participation Plan

To be provided by Issuer