

City of Somerville
REQUEST FOR QUALIFICATIONS
Office of Strategic Planning and Community Development, Housing Division
Office of Sustainability and Environment
Energy Management Partner for Residential Program
RFQ No. 13-06

Sealed responses will be received at the Office of the Purchasing Director, Somerville City Hall, 93 Highland Avenue, 1st floor, **until 11:00 a.m. Wednesday, August 29, 2012** for the furnishing of the following:

The City is seeking a firm or a team of firms with the capabilities necessary to finance and implement a program of energy efficiency improvements to 1-4 family residences. Services sought by the energy management partner include but are not limited to: installation of measures, assessment of whole building energy performance, financing and customer service. The successful respondent will provide complete energy-efficiency management and retrofit services commencing in the autumn of 2012 to Somerville residents and property owners of 1-4 family buildings.

KEY DATES FOR THIS REQUEST FOR PROPOSALS

RFQ Released	July 18, 2012
Pre-Submission Conference	August 1, 2012 at 11:00 a.m.
Deadline for submitting questions on RFQ	August 2, 2012 at 4:30 p.m.
Proposals due	August 29, 2012 at 11:00 a.m.
Proposers contacted for interviews	September 2012
Consultant Selected/Project Begins	September/October 2012

The Request for Qualifications (RFQ) may be obtained from the Purchasing Department, City Hall, 93 Highland Ave., Somerville, MA 02143, via email: purchasing@somervillema.gov or online at <http://www.somervillema.gov/departments/finance/purchasing/bids> on or after: Wednesday, July 18, 2012. Sealed qualifications statements will be received at the above office until: Wednesday, August 29, 2012 at 11:00 a.m. at which time sealed proposals will be opened. The Purchasing Director reserves the right to reject any or all proposals if, in her sole judgment, the best interest of the City of Somerville would be served by so doing.

One DVD and four (4) hard copies of your response (one original and three copies, clearly marked as such) in an envelope marked "**Qualifications of Energy Management Partner RFQ #13-06**" must be received by Purchasing Director, City of Somerville, City Hall, Somerville, MA 02143 no later than **11:00 a.m. on Wednesday, August 29, 2012**.

I. INSTRUCTIONS TO PROPOSERS

A. GENERAL INFORMATION

- 1) The successful Respondent must be an Equal Opportunity Employer.
- 2) This procurement is not subject to Massachusetts General Laws Chapter 25A or 30B.
- 3) There will be a **pre-submission conference** at Somerville City Hall in the BOA Committee Room, 2nd floor on **Wednesday, August 1, 2012 at 11:00 a.m.** Attendance of interested proposers is highly encouraged but not required in order to be eligible for this award.
- 4) The signature of the authorized official(s) must be provided on all the proposal forms.
- 5) All information in the Respondent's proposal should be organized and presented as listed in the introductory section of this RFQ. Accuracy and completeness are essential. The successful proposal will be incorporated into a contract; therefore, Respondents should not make claims that they are not prepared to commit themselves to contractually.
- 6) Questions concerning the RFQ must be submitted in writing by 4:30 p.m. **Thursday, August 2, 2012**, to the Purchasing Director, City of Somerville at the address above or by fax number 617-625-6600 x3410 or through e-mail to amallen@somervillema.gov. Answers will be sent in the form of written addenda to the RFQ specifications to all parties who received an RFQ through the Purchasing Department.
- 7) The City of Somerville reserves the right to reject any or all proposals, waive minor informalities, and accept the proposal deemed to be in the best interest of the City.

B. CONTENTS OF SUBMISSION

In response to this RFQ, the respondent shall include the following documentation and information. Respondents shall submit one original plus three (3) copies and one DVD including:

- 1) Transmittal Letter on Company Letterhead signed by an Authorized Official.
- 2) Profile of the Firm, including but not limited to:
 - Ownership and Corporate Structure
 - Capabilities to perform the services described herein
 - Experience in similar undertakings.
- 3) Resumes of key employees assigned to this engagement.
- 4) References from three (3) or more entities for whom those involved in this engagement have worked in similar undertakings, including name, address, telephone number and e-mail address of contact persons. The City of Somerville reserves the right to use ourselves as a reference.

- 5) An Implementation Plan as described herein identifying how the respondent will carry out the scope identified in this RFQ and achieve the maximum energy savings and other benefits to residents and owners of 1-4 family buildings in Somerville.
- 6) Any other information relevant to the RFQ and this engagement. The City of Somerville will find other information about the Respondent useful. The information supplied here does not lend itself to quantitative comparison analysis; however, it can be invaluable in understanding the Respondent's business philosophy.
- 7) Additionally, the proposal shall include a statement regarding the participation of Minority Owned Enterprises (MBE) and Women Owned Business Enterprises (WBE) in the proposed project. The City strongly encourages active and meaningful involvement of MBE's and WBE's.
- 8) Required forms: In addition to the information listed above, the following attached forms must be completed and signed for submission with your technical proposal.

- **Certificate of Signature Authority**
- **Certificate of Non-Collusion and Tax Compliance**
- **Somerville Living Wage Ordinance** – Proposer must agree to conform with Somerville's Living Wage Ordinance and certify their compliance with this ordinance by completing attached Living Wage Ordinance Form.

The following forms are *not required at the time of proposal submission*, but will be required by the awarded Proposer in order to execute a contract.

- **Insurance Certificate** – the successful proposer will be required to submit evidence of appropriate insurance
- **Certificate of Good Standing** – The selected Proposer must provide the City with a current "Certificate of Good Standing" from the Commonwealth of Massachusetts.

C. RULE FOR AWARD AND CONTRACT TERM

The Term of this project is expected to be three (3) years with the opportunity for a renewal for up to three (3) additional years. Any option to exercise a renewal period shall be made solely at the discretion of the City, with approval of the Board of Aldermen.

The City plans to award one contract to the responsive and responsible Respondent offering the most highly advantageous proposal based on the evaluation criteria. The contract will be awarded within sixty (60) days after the bid opening. The time for award may be extended for up to 30 additional days by mutual agreement between the City of Somerville and the respondent deemed as the most highly advantageous by the evaluation committee.

II. INTENT

The City of Somerville, through its Office of Strategic Planning and Community Development (OSPCD) and Office of Sustainability and Environment (OSE), is soliciting Qualifications Statements and an Implementation Plan for coordinating and financing a residential energy efficiency program for 1-4 family buildings.

The purpose of this Request for Qualifications (RFQ) is to assist the City of Somerville in:

- 1) Improving energy efficiency in 1-4 family residential buildings;
- 2) Increasing Somerville residents' utilization of available energy efficiency financing for home energy retrofits; and
- 3) Implementing a comprehensive residential energy-efficiency strategy.

III. BACKGROUND

The City of Somerville is a participating City in the EE2020 project, an initiative launched in 2010, as an intensive multi-year project to help Massachusetts's cities create energy efficiency programs that are financially self-sustaining. The City of Somerville is focused on making an impact by upgrading building efficiency in both the residential and commercial sectors.

The City of Somerville is committed to supporting the efforts of local building owners to improve the efficiency of their buildings. The City has launched an initiative that builds upon the existing MassSave program, currently referred to as the Somerville Residential Energy Efficiency Program (REEP). However, the City recognizes there remain significant opportunities for additional conservation measures to be implemented within the City. Therefore, the City is issuing this RFQ to seek qualified firms and or teams that will be able to provide enhanced opportunities for building owners to improve the energy performance of their buildings. The City understands the barriers which have historically prevented energy efficiency in urban housing, including high transaction costs and split incentives, and is seeking an innovative, ambitious approach to overcome these challenges and achieve substantial energy savings at scale on a city-wide basis.

More information regarding the City of Somerville's energy efficiency program may be found at: www.somervillema.gov/departments/ospcd/housing/leep

IV. SCOPE OF SERVICES

The City is seeking to establish a relationship with an Energy Management Partner (EMP) to coordinate energy efficiency retrofits in 1-4 family buildings in Somerville. The EMP may be an individual respondent or a group of respondents who plan to implement the program through a partnership. The EMP will have the opportunity to develop, test and implement, on a large scale, a package of comprehensive energy efficiency retrofits, including but not limited to insulation and heating systems, in existing 1-4 family homes in Somerville. Such "packages" shall include financing, design, implementation and installation of comprehensive energy efficiency measures.

The EMP is expected to build on and fully utilize Massachusetts' existing utility weatherization and energy efficiency programs. The City is seeking respondents who can demonstrate the ability to focus on and support the upgrading of the performance of whole buildings rather than limited, lower-cost measures.

The City does not anticipate providing funding to the successful applicant but will co-sponsor this program with the applicant selected as the EMP. The City will actively encourage eligible

residents and building owners to participate in the program and install all energy efficiency measures that are economically attractive and/or can be financed by the applicant or with other available financing. The City will work with the electric and gas utilities serving the City to facilitate appropriate co-branding and other coordination to increase the success of the program. The City will work with the EMP to seek any other sources of assistance and any enhancements to utility and other programs that would improve the success of this campaign.

The City will also take the lead in marketing the program to its residents and building owners. Through its state of the art Constituent Services (311), Communications, and ResiStat offices, the City will ensure that the program is effectively and extensively communicated to Somerville homeowners and tenants. The City will also work with the successful applicants to analyze the Assessor's Database and other data sources to effectively target outreach to the appropriate building owners and residents.

The City is seeking a respondent, or group of respondents who have formed a partnership, with a plan to address improving the energy efficiency performance of a targeted 3,000 buildings containing more than 5,000 units by 2020. The expectation for the first year is to have at least 130 buildings containing at least 240 units upgraded in 2013 and then increasing annually. The City is prepared to consider a strategy that emphasizes owner-occupied buildings to some extent in the initial phases of this campaign, but the City's goal is to achieve substantial energy savings for tenants as well. The City is open to an emphasis on residences with high energy usage or opportunities, but all residences (1-4 family buildings) must be able to participate.

Upon selection, the chosen partner will have the opportunity to work collaboratively with the City and its electric and gas utilities and/or other appropriate stakeholders to customize its Implementation Plan to Somerville conditions and to develop a more specific approach and schedule for rolling out a joint marketing campaign and implementing an effective program. The City will assist the EMP to customize these program elements in such a way as to appeal to Somerville residents, and the City retains the right to request other changes during this collaboration. The City will be open to expansion of the scope or scale of the program, or other innovative suggestions by the EMP. For example, if it would improve feasibility, the EMP may recommend other services to offer or other energy users to include in program offerings in addition to 1-4 family buildings.

A. IMPLEMENTATION PLAN

Responses to this RFQ must include an implementation plan identifying how the respondent will carry out the scope identified in this RFQ and achieve the maximum energy savings and other benefits to residents and owners of 1-4 family buildings in Somerville. The City is inviting each respondent to propose a set of services, a business case and financing and service delivery methods through which it can serve the target audience of owners and residences of 1-4 family buildings by offering them the opportunity to pay for most of their energy improvements primarily through savings realized on their energy bills. In particular, implementation plans should include the following transaction arrangements between the EMP and building owners and energy users, and should state any changes that prospective EMPs propose from the following terms:

- A. To qualify for participation in this City-sponsored program, households are required to agree to a scope of retrofit that will bring their building to a defined “energy smart” standard, which would not necessarily be an energy standard but could be a list of measures achieved, to generate the maximum economically feasible energy savings in their entire building;
- B. the EMP offers appropriate energy saving contracts to participating building owners and tenants to pay all costs of retrofit work in participating homes that are not covered by utility or other rebates, and to recover annual energy savings from participants such that:
 - a. participants agree to make fixed payments for a period of up to five years that cover both the (lower) costs of utility payments and repayment of the cost of insulation and related weatherization measures,
 - b. their annual contributions for insulation and related weatherization do not exceed their existing annual costs for heating and electricity;
 - c. participants retain full energy savings once measures are paid off in full;
- C. the EMP offers landlords and tenants a range of arrangements under which they can customize their respective payment responsibilities to match their energy savings as appropriate;
- D. the EMP enters into arrangements with landlords as necessary through which they assume the obligation to pay the EMP in the case of tenants who participated in the program on their own but left the building before their repayment schedule was complete (respondents should fully explain the methods to be used to minimize default in these circumstances);
- E. the EMP enters into arrangements with owner-occupants and absentee owners as necessary to ensure payment to the EMP in case of sale before their repayment schedule is complete (respondents should fully explain the methods to be used to minimize default in these circumstances);
- F. the EMP maximizes use of all available subsidies including from the MassSave program to lower the customer’s final cost;
- G. customers are offered the opportunity to self-finance improvements, retaining all the savings immediately and simply paying the EMP for their installation.
- H. the EMP encourages building owners to achieve energy savings by replacing heating, hot water, cooling, roofing and other building systems through a life cycle analysis based on the remaining equipment life, recognizing that energy savings may justify the incremental costs of early replacement if not the entire capital cost.

Implementation plans should also include:

- 1. a schedule for developing and rolling out a marketing and implementation campaign;
- 2. a demonstration of the ability to raise and deploy capital investment of approximately \$25 million during the first 3 years of the engagement;
- 3. a method to ensure that participating homeowners and tenants agree to a scope of services that enables the building to achieve a defined standard of energy efficiency performance, as described in Criterion A above;
- 4. a strategy to achieve or exceed the 2020 target of reducing energy consumption in 1-4 family homes by 30%; or, justify why the 30% target cannot be achieved, set a different target and explain the strategy to achieve it;

5. a commitment to report to the City on an annual basis the number of jobs arising from implementation of the plan and the extent to which Somerville residents gained employment in the program.

B. CAPABILITIES

The City is seeking a firm or a team of firms with the capabilities necessary to finance and implement a program of energy efficiency improvements to 1-4 family residences as described above.

Respondents are to include in the Profile of the Firm all entities that will be involved in the delivery of service, including but not limited to: installation of measures, assessment of whole building energy performance, financing and customer service. Proposals should specify the qualifications and capabilities of respondents to provide these services. A respondent must meet the following criteria:

- a. is now, or is capable of becoming, a Home Performance Contractor (HPC), an Independent Installation Contractor (IIC) under the MassSave Home Energy Services program, or capable of engaging with the MassSave program in an alternate way that will meet needs of this initiative in Somerville, including maintaining pricing and service delivery standards as set by MassSave;
- b. has experience making loans or providing other financing in the residential market;
- c. has demonstrated ability to raise and administer the funding required to achieve the program goals.

V. SELECTION PROCESS

A Technical Advisory Committee (“Committee”) shall be formed, including staff from the Purchasing Department, Office of Strategic Planning and Community Development, Office of Sustainability and Environment and other representatives as needed. The Committee will review all responses and final selection will be based upon an evaluation and analysis of the information and materials required under the RFQ. The City reserves the right to involve an outside consultant in the selection process. Proposals that meet the minimum criteria will be reviewed for responses to the comparative evaluation criteria. The Committee will assign a rating of Highly Advantageous, Advantageous, Not Advantageous or Not Acceptable to the comparative evaluation criteria.

The Committee shall evaluate the information provided to determine whether a respondent is “qualified,” that is, whether the respondent has the capability, reliability, and experience to perform. The Committee may request additional information of any and all respondents in writing and to use that information in determining whether a proposer is qualified.

The City will not award a contract or contracts except to responsive and responsible eligible proposer(s). Before awarding the contract(s), the City may request additional information from the proposer to insure that the proposer has the resources necessary to perform the required services. The City reserves the right to reject any and all proposals if it determines that the criteria set forth have not been met.

The City may schedule interviews with all responsive and responsible proposers.

VI. EVALUATION CRITERIA

The City of Somerville will rank the proposals received in the following categories:

A. Relevant experience of RFQ respondent and/or proposed staff:

Highly Advantageous: The respondent has at least five (5) years of experience working with municipalities on engagements of similar size and scope.

Advantageous: The respondent has at least three (3) years of experience working with municipalities on engagements of similar size and scope.

Not Advantageous: The respondent has less than three (3) years of experience working with municipalities on engagements of similar size and scope.

B. Resource plan and methodology:

Highly Advantageous: The plan of services details available resources and proposes a detailed, logical, and highly efficient scheme for completing the scope of services and addresses all of the required issues.

Advantageous: The plan of services proposes a credible scheme for completing the scope of services and addresses all of the required issues.

Not Advantageous: The plan of services is not sufficiently detailed to fully evaluate, or the plan does not contain all the components necessary to complete the scope of services and address all of the required issues.

C. Demonstrated ability to complete similar undertakings on a timely basis:

Highly Advantageous: All of the respondent's references indicate that the services provided to homeowners and tenants were completed on schedule or with minimal, insignificant delays.

Advantageous: Only one (1) of the respondent's references indicates that the services provided to homeowners and tenants were completed with substantial delays attributable to the respondent, and no current engagement(s) or engagement completed in the last three (3) years experienced substantial delays attributable to the respondent.

Not Advantageous: Two (2) of the respondent's references indicate that the services provided to homeowners and tenants were completed with substantial delays attributable to the respondent, and no current engagement(s) or

engagement completed in the last year experienced substantial delays attributable to the respondent.

Unacceptable: More than two (>2) of the respondent's references indicate that the services provided to homeowners and tenants were completed with substantial delays attributable to the respondent.

D. Evaluation of the respondents proposed “Implementation Plan” for the scope of services:

Highly Advantageous: The proposal contains a clear and comprehensive plan that addresses all of the objectives stated in the RFQ.

Advantageous: The proposal contains a clear plan that addresses most of the objectives stated in the RFQ.

Not Advantageous: The proposal does not contain a clear plan that addresses the objectives stated in the RFQ.

E. Respondent's demonstrated financial capabilities:

Highly Advantageous: The proposal contains a demonstrated capacity to raise and deploy a capital investment of approximately \$25 million in the first 5 years.¹

Advantageous: The proposal contains a clear plan to raise and deploy a capital investment of approximately \$25 million in the first 5 years.

Not Advantageous: The proposal does not contain a clear plan to raise and deploy a capital investment of approximately \$25 million in the first 5 years.

VII. TERMS AND CONDITIONS

Upon the City of Somerville's notice of award, the City and the selected respondent will execute a contract which will set forth the respective roles and responsibilities of the parties in a form acceptable to the City.

¹ While the initial term of the agreement with the EMP will be for three years, the City understands that the scaling up of this project will take longer than three years.

Required Forms

Please refer to Section I.B.8) of this RFQ and sign and submit the following forms with your response to this RFQ.

- **Certificate of Signature Authority** – note that respondents may attach an equivalent form in lieu of the City's template
- **Certificate of Non-Collusion and Tax Compliance**
- **Somerville Living Wage Ordinance**

Certificate of Authority

At a meeting of the Board of Directors of:

_____ ,

Held on: _____, at which a quorum was present, it was
VOTED,

that: _____, _____ of this
company

is hereby authorized to execute contracts and bonds in the name of an on behalf of said

company, and affix its corporate seal therto; and such execution of any contract or

obligation in this company's name on its behalf by
such: _____

under seal of this company shall be valid and binding upon this company.

A True Copy Attest:

Clerk/Secretary: _____

Signature

Print Name

Place of Business

I, _____, hereby certify that I am the

clerk/secretary of the: _____

and that: _____

is the duly authorized person of said company, and that the above vote has not been

amended or rescinded and that said vote remains in full force as of this date below.

Clerk/Secretary

Date

CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this RFQ has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

AFFIDAVIT OF TAX COMPLIANCE

Pursuant to M.G.L. c62, Sec. 49a, I certify under the penalties of perjury that I, to my best knowledge and belief, have filed all Massachusetts tax returns and paid all Massachusetts taxes required under law, as well as paid all contributions and payments in lieu of contributions pursuant to M.G.L. Chapter 151, Sec. 19A(b)

Signature of Authorized Person

Name of Business or Corporation

Federal Tax Identification Number

Date

SOMERVILLE LIVING WAGE ORDINANCE FORM

(Ordinance No. 1999-1*)

This form shall be included in all Invitations for Bids and Requests for Proposals which involve the furnishing of labor, time or effort (with no end product other than reports) by vendors contracting or subcontracting with the City of Somerville, where the contract price meets or exceeds the following dollar thresholds:

- a) \$50,000 for contracts commencing during the period 7-1-99 to 6-30-01
(Fiscal Years 2000 and 2001);
- b) \$30,000 for contracts commencing during the period 7-1-01 to 6-30-03
(Fiscal Years 2002 and 2003); and
- c) \$10,000 for contracts commencing during the period 7-1-03 and thereafter
(Fiscal Years 2004 and thereafter.);

The purpose of this form is to ensure that such vendors pay a “Living Wage” (defined below) to all covered employees (i.e., all employees except individuals in a city, state or federally funded youth program). In the case of bids, the City will award the contract to the lowest responsive and responsible bidder paying a Living Wage. In the case of RFQ’s, the City will select the most advantageous proposal from a responsive and responsible Respondent paying a Living Wage. In neither case, however, shall the City be under any obligation to select a bid or proposal that exceeds the funds available for the contract.

Definition of “Living Wage” For this contract or subcontract, as of 07-01-2012 “Living Wage” shall be deemed to be an hourly wage of no less than \$11.71/hour. From time to time, the Living Wage may be upwardly adjusted and amendments, if any, to the contract or subcontract may require the payment of a higher hourly rate if a higher rate is then in effect.

If the undersigned bidder or Respondent is selected, this form will be attached to the contract or subcontract and the certifications made herein shall be incorporated as part of such contract or subcontract.

CERTIFICATIONS

1. The undersigned shall pay no less than the Living Wage to all covered employees who directly expend their time on the contract or subcontract with the City of Somerville.

* Copies of the Ordinance are available upon request to the Office of the City Clerk

2. The undersigned shall post a notice, (copy enclosed), to be furnished by the contracting City Department, informing covered employees of the protections and obligations provided for in the Somerville Living Wage Ordinance, and that for assistance and information, including copies of the Ordinance, employees should contact the contracting City Department. Such notice shall be posted in each location where services are performed by covered employees, in a conspicuous place where notices to employees are customarily posted.
3. The undersigned shall maintain payrolls for all covered employees and basic records relating hereto and shall preserve them for a period of three years. The records shall contain the name and address of each employee, the number of hours worked, the gross wages, a copy of the social security returns, and evidence of payment thereof and such other data as may be required by the contracting City Department from time to time.
4. The undersigned shall submit payroll records to the City upon request and, if the City receives information of possible noncompliance with the provisions the Somerville Living Wage Ordinance, the undersigned shall permit City representatives to observe work being performed at the work site, to interview employees, and to examine the books and records relating to the payrolls being investigated to determine payment of wages.
5. The undersigned shall not fund wage increases required by the Somerville Living Wage Ordinance by reducing the health insurance benefits of any of its employees.
6. The undersigned agrees that the penalties and relief set forth in the Somerville Living Wage Ordinance shall be in addition to the rights and remedies set forth in the contract and/or subcontract.

Executed this _____ day of _____, _____.

Name of Vendor

By: _____

Name

Its: _____

Title

Signature