

Addendum No. 1 to RFQ #17-69



CITY OF SOMERVILLE, MASSACHUSETTS
Department of Purchasing
JOSEPH A. CURTATONE
MAYOR

To: All Parties on Record with the City of Somerville as Holding RFQ #17-69
HeatSmart/ CoolSmart Somerville Program

From: Thupten Chukhatsang, Procurement Analyst

Date: 6/6/2017

Re: Clarification of possible concerns & extension of the deadline for questions
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Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

NAME OF COMPANY / INDIVIDUAL: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE/FAX/EMAIL: _____

SIGNATURE OF AUTHORIZED INDIVIDUAL: _____

ACKNOWLEDGEMENT OF ADDENDA:

Addendum #1 _____ **#2** _____ **#3** _____ **#4** _____

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The deadline for submitting questions is being extended to 4:00pm, Monday, June 12, 2017.

Clarification of Possible Concerns:

As this type of program may be a new experience for most HVAC installers, the City would like to clarify the intent of the program and its potential value to contractors.

City-run programs have been proven to be valuable for partnerships. The program is structured similar to the City's successful 2016 Solarize Somerville program. The "solarize" model is a nationally-recognized program structure that utilizes group incentive pricing and community-based social marketing through a limited-time campaign to drive adoption of a technology in a community. It has been utilized for solar PV by the Massachusetts Clean Energy Center ("MassCEC") across more than 50 communities since 2011. These Solarize Mass campaigns more than doubled the number of small-scale solar PV systems installed in participating communities prior to the campaign.

The model also helps to generate more, higher-quality leads for participating installers due to an extensive vetting and approval process by a trusted entity (i.e. the City), which improves confidence in the . Through Solarize Somerville for example, more than 50% of leads were generated by City-led promotion and about 50% of people who completed an assessment and received a contract from the selected installer signed up to go solar, higher than the average rate.

Similarly, HeatSmart/CoolSmart Somerville aims to strengthen the City's market for heat pumps by fostering broader awareness of heat pumps across the community while improving the quantity and quality of leads to contractors through broad, community- and volunteer-led outreach and education. The City hopes that these benefits will enable contractors to pass any savings onto their customers—though understands that not every contractor may be positioned to do so. The City also acknowledges that there are significant differences between solar PV and air source heat pumps, as well as between the industries that provide installation services to residences. The City anticipates working with the selected installers to modify the program structure as needed to ensure that HeatSmart/CoolSmart can provide a mutual benefit to all parties.

We understand concerns related to contractor capacity in the busy greater Boston market. As such, we are planning on selecting more than one installer to help distribute the influx of leads. The selected installers will be expected to participate in a few workshops which we will coordinate with the installers to schedule. The selected installers will not be required to have the systems installed by November 22, 2017.

Lastly, we expect that the MassCEC will begin supporting implementation of similar programs across the state starting later this year/early next year. HeatSmart/CoolSmart is one of the first to be adopted by a municipality in the Commonwealth of Massachusetts. We are working closely with MassCEC to share information in the hopes of enabling other communities to develop strong and mutually beneficial programs and partnerships with local contractors.