

CITY OF KNOXVILLE

REQUEST FOR QUALIFICATIONS

Energy Savings Performance Contracting Services

Qualifications to be Received by 11:00 AM, Eastern Time on 18 April 2008

Submit Proposals to:
City of Knoxville
Office of Purchasing Agent
City/County Building
Room 667-674
400 Main Street
Knoxville, Tennessee 37902

Prepared by City of Knoxville's Finance and Accountability Department
(Purchasing Division, 865-215-2070)

**City of Knoxville
Request for Qualifications
Energy Performance Contracting Services**

Table of Contents

<u>Item</u>	<u>Page Number</u>
Statements of Intent	3
Timeline	3
Background	3-4
Scope of Service	4-10
General Conditions	10-12
Contract Requirements	12-15
Instructions to Submitting Entities	15-18
Evaluation Criteria	18-20
Submission Forms.....	21-23

City of Knoxville
Request for Qualifications
Energy Savings Performance Contracting Services

I. STATEMENT OF INTENT FOR OVERALL PROJECT. The City of Knoxville is requesting Statements of Qualifications from responsible firms or teams to provide Energy Savings 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 savings performance contract that will identify and implement energy-reducing capital improvements 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 and reduce energy consumption of natural gas, electricity, and water. 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. The City is prepared to enter into a contract with a maximum allowable term of 18 years with the successful contractor. Additionally, the City of Knoxville desires to reduce overall environmental impacts associated with the City's energy use, including direct and indirect greenhouse gas emissions, and to achieve "Energy Star" status on eligible facilities where it is cost effective to do so.

II. STATEMENT OF INTENT FOR CONTRACTOR SELECTION PROCESS. The City of Knoxville is seeking statements of qualifications from entities who desire to undertake the project described above and in section IV of this RFQ. However, the City is "not" seeking detailed proposals at this time, as the development of such proposals would be too time and effort intensive "up front" due to the size and complexity of the overall project. Rather, the City requests that interested entities submit their statements of qualifications to prove their demonstrated experience and qualifications with regard to Energy Savings Performance Contracts, their financial stability, and the general description of their approach to Energy Savings Performance Contract Projects. An evaluation committee will review the qualifications and select the most qualified and competent qualifiers based on the evaluation criteria stated in this RFQ. Afterward, the City will invite these finalists to prepare a detailed proposal stating how they plan to accomplish the project, as discussed in section IV of this RFQ. These proposals will then be evaluated by the selection committee and a contract may be entered into with the firm which provides the best proposal.

NOTE: As per the "cooperative procurement agreement" authority specified in section 2-991 of the City of Knoxville's Procurement Code, the City of Knoxville will allow other government entities within the state of Tennessee to enter into a cooperative agreement with the selected contractor through the use of the City of Knoxville's contract. However, such government entities are responsible for developing their own individual agreement(s) with the firm, for monitoring those agreements, and for managing those agreements. The City of Knoxville shall not be responsible for negotiating, monitoring, or managing agreements that other government agencies enter into by "piggybacking" off of the contract that the City of Knoxville enters into with the selected firm.

II TIME LINE. The following timetable is for the information of submitting entities. All dates are tentative and subject to change with the exception of the dates for the submission of qualifications and submission of proposals. **In no event shall the deadline for submission of qualifications or proposals be changed except by written addenda published by the City of Knoxville Purchasing Division.**

Availability of RFQ	4 Feb 2008
Deadline to submit Site Visit Registration Form (Exhibit A)	3 March 2008
Mandatory Site Visit (2 days).....	10 & 11 March 2008
Final date to submit questions to the Purchasing Agent.....	10 April 2008
Qualifications Due Date.....	18 April 2008
Selection process and interviews with selected firms	18 April – 19 May 2008
Preparation of Proposals by finalists from RFQ process	19 May – 18 July 2008
Submission of Proposals by finalists	18 July 2008
Evaluation of Proposals	18 July - 18 Aug 2008
Negotiations with firm that provided the best proposal	18 Aug – 18 Sept 2008
Award of Contract	18 Sept – 20 October 2008

III. BACKGROUND. The City of Knoxville spends roughly \$4M a year on electricity, \$841K per year on natural gas, and \$649K for water for a grand total of approximately \$5.5M on utilities. The annual consumption and cost for each category (2004, 2005, & 2006) is provided below:

YEAR	Electricity		Natural Gas		Water		Wastewater		Total Cost
	kWH	Cost	Therms	Cost	CCFW	Cost	CCFW	Cost	
2006	61958476	\$3,980,502	583621	\$840,520	208873	\$370,805	69019	\$277,674	\$5,469,501
2005	81996101	\$3,677,721	640598	\$758,178	199386	\$331,313	57279	\$219,652	\$4,986,866
2004	48304855	\$2,815,317	588457	\$586,403	200589	\$325,107	59965	\$277,708	\$4,004,536

Note: The 2004 Numbers do not include City County Building. Additionally, wastewater CCFW numbers are not additional consumption numbers. KUB uses water consumption to bill for wastewater. Adding Water and Wastewater CCFW "consumption" would be double counting. However, note that the dollar amounts for water and wastewater are separate and adding them together to get a total cost for water (\$649K in 2006) is accurate. Also note that costs do not include facilities costs for Street Lighting Account '7673300000

Appendix A contains the electricity and natural gas consumption and associated costs, per facility, for each month of 2004, 2005, and 2006. Additionally, this appendix contains consumption and cost data for street lights, "private lights" associated with various City owned facilities, traffic signals, and 41 City parks, ball fields, and golf courses that consume utilities. The "Unknown" tab of this appendix contains various entities for which the City pays utility bills. At this point, the City is unsure as to what these costs are for and would like the successful proposer to help determine this in conjunction with the Knoxville Utilities Board (KUB). This information was prepared with due diligence on the part of the City, but the contractor should review this information for accuracy and completeness. Appendix B contains the water consumption and associated costs for the City of Knoxville for 2004, 2005, and 2006. Again – this information was prepared with due diligence on the part of the City, but the contractor is encouraged to review this information for accuracy and completeness.

Comment [154]:

Appendix C depicts the 97 facilities owned by the City of Knoxville along with the estimated square footage per building/facility. Additionally, this appendix depicts the 41 parks, ball fields, and golf courses that consume energy. Note that the 11 facilities that have an asterisk by them are not included in the cost/consumption rollup, to the best of the City's knowledge, located in Appendix A.

Attached to this RFQ are eleven "facilities profile" pdf files for the majority of the 97 City-owned facilities. These profiles depict the building/facility name, address, type usage, square footage, type of heating and cooling system on hand, and various other data. Proposers are "strongly" encouraged to review this information in detail to gain a thorough understanding of the project. The precise names of these attachments are Energy Efficiency Report Facilities MGMT pdf, Energy Efficiency Report Fire pdf, Energy Efficiency Report Other pdf, Energy Efficiency Report Parks & Rec pdf, Energy Efficiency Report PBA Input pdf, KAT Facility Profile 1, and KAT Facility Profile 2. Potential qualifiers should ensure that they have each of these reports for a thorough understanding of the facilities in this project.

NOTE: The City of Knoxville is currently replacing its remaining incandescent bulbs in traffic signals with LED lights so do not consider this to be a potential ESM.

IV. SCOPE OF WORK. This section describes the scope of work that the winning entity will be required to undertake. As stated earlier, a proposal for this project will be requested from the "finalists" selected from the RFQ process. The City is providing this statement of work at this time to provide submitting entities an understanding of the overall scope of the project in the event they become the finalists from the RFQ process.

4.1 The winning proposer will 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 Savings Performance Contract. As stated, the City intends to enter into a contract of no longer than an 18 year duration, so proposers should structure their submissions accordingly. Additionally, the City of Knoxville desires to reduce overall environmental impacts associated with the City's energy use, including direct and indirect greenhouse gas emissions, and to achieve "Energy Star" status on eligible facilities where it is cost effective to do so.

4.2 The project goals for this initiative are:

- Reduce energy consumption (gas, water, and electric) and the utility costs pertaining to energy consumption.
- Maintain or improve comfort conditions.
- Maintain or improve indoor environmental quality.
- Replace or upgrade old and inefficient systems to the extent that such replacements/upgrades help reduce energy consumption and related costs.
- Develop a long-term plan for preventive maintenance for every measure installed by the contractor as part of this ESPC.
- Enhance personnel training with regard to energy efficiency and maintenance of energy efficient systems.
- The City desires to achieve the "Energy Star Designation" on any eligible building contained in the scope of this project deemed cost effective.
- Reduce the environmental impacts associated with the City's energy consumption, including direct and indirect greenhouse gas emissions.

4.2 Services and capital improvements will be financed through an energy savings performance contract which:

- A. Incurs no initial capital costs
- B. Achieves significant long-term savings
- C. Achieves a guarantee for cost savings for the City. **The City will only consider proposals based on a first party guaranteed savings agreement. The firm proposing any guaranteed savings must directly maintain guaranty liability. Additionally, if the firm fails to meet their guaranteed savings in any particular year of the contract, then they are required to write the City a check for the shortfall (as long as it is not the result of the City's action(s)).**
- D. Maintains consistent levels of building functionality
- E. Captures additional benefits directly related to energy-services and capital improvements, such as environmental protection, improved occupant comfort, reduced maintenance needs, improved indoor air quality, and so forth. Note that the City reserves the right to review the bids for major equipment purchases that are to be installed in City facilities.

F. Payments from the City to contractor for ongoing maintenance services will be contingent (in some fashion) on the level of energy savings achieved to include penalties for non-attainment of energy savings goals.

G. Maintains consistent and reasonable levels of occupant comfort. The following temperature conditions must be maintained at City facilities. Any efficiency measures proposed must allow for the maintenance of these conditions:

- Occupied Conditions: Winter: 70 degrees F minimum and 72 degrees F maximum with an allowable range of plus or minus 2 degrees and Summer in air conditioned spaces: 75 degrees F plus or minus 3 degrees @ 50% RH
- Unoccupied Conditions: Winter 55 degrees F minimum and Summer 80 degrees F maximum in air conditioned spaces only
- In general, the occupied conditions requirements stated above will satisfy "most" Knoxville Coliseum requirements. However, there are some lessee requirements which these conditions may not satisfy such as KSO, Ice Hockey, Disney and others. The successful proposer will be required to coordinate with Coliseum management to ensure they satisfy lessee requirements.
- Note that both the Knoxville Convention Center and the Knoxville Exhibition Center require 70 degrees F plus or minus 3 degrees with 50% RH all year.

Indoor and Outdoor Lighting

Local and state code requirements or IES requirements, whichever is greater

Air Changes/Ventilation Requirement

Follow the 2006 International Code requirements as well as the ASHRAE 62.1.

Mold Events.

Mold events occurring in buildings will be deemed the liability of the prime contractor unless proven to be the result of bulk water intrusion from a natural disaster, roof failure, or pipeline failure.

Comfort Condition Complaints.

The successful proposer will explain in their submission their plan for handling occupant comfort complaints and tracking such complaints. Firms that demonstrate they have used a system of complaint tracking successfully in the past will be viewed favorably by the selection committee. Occupants should be able to get relief from mismanaged comfort conditions within one hour.

The contractor will be required to survey all building occupants annually concerning comfort levels and take corrective action as needed.

4.3 This project has four phases:

PHASE ONE -- Review of Billings

Contractor will review City utility bills for water, natural 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.

PHASE TWO -- Energy Audit and Project Development

This phase consists of two parts: (1) Conduct an energy audit in each of the 97 City-owned buildings, 41 City owned athletic fields, and two golf courses to survey and identify energy savings measures (ESM). Said audit will include:

(a) Establishing an energy baseline for each energy source and water/sewer for each building

(b) Identification of ESM for each building including a narrative description of current practices, recommended actions (including baseline consumption), energy and cost savings calculations, and estimates of implementation costs.

(2) Developing a "project development plan" which will include:

(a) Proposed project timeline

(b) Narrative description of project management services including performance of operation, preventive maintenance, repair and replacement, training

(c) Measurement and verification

(d) Method to address dispute resolution

(e) Financial analysis, including

(a) Cash flow summary clearly establishing guaranteed annual cost savings and annual contractor payments

(b) Summary of implementation costs for each ESM

(c) Annual cash flow table depicting for each year of the contract term the distribution of payments for debt service, project management, measurement and verification, training, operation, preventive maintenance, etc.

(d) Summary of energy savings (by energy type) for each ESM

(e) Cancellation schedule for each year of the contract term.

To conduct the energy audit and develop the project plan, the contractor will conduct a walk through of each facility, gather and analyze information and data, then propose a series of ESMs for each building that will reduce the City's expenses for energy and maintenance expenses. Said survey will require the contractor to interview appropriate personnel to learn the operating characteristics of the facility and the existing equipment and systems therein.

A. Phase Two of the project shall consist of three deliverables as stated below:

Contractor must clearly identify how much energy (gas, electric, and water) is being consumed by each City facility in terms of standard units (BTUs, kilowatt hours, and gallons of water) on an annual basis. The energy consumption must also be broken down for an average per square foot. This data will be provided to the City's Energy & Sustainability Task Force in the form of a written document depicting the information in understandable layman's terms. The document must also depict how much money is spent annually on each facility for natural gas, electricity, water/sewer,

and the combination thereof. The cost must also be broken down for an average per square foot.

NOTE: During actual project identification and development, the contractor will also be required to accurately capture (through calculations and measurements) the baseline consumption of each ESM on an individual basis. The contractor will be required to develop ESM specific baselines so that the City can evaluate savings on an ESM basis.

1. Contractor shall identify where each building, athletic field, and golf course stands with regard to consumption and cost of natural gas, water, and electricity compared to the national average of "like" buildings on a square footage basis (i.e., fire stations compared to the national fire station building average, recreation centers to the national average of consumption and expenditures for recreation centers, and so forth). Contractor shall be encouraged to use EPA's Energy Star resources to benchmark buildings. The intent is to clearly identify problem and opportunity areas. Additionally, the contractor shall prioritize the list in terms of buildings offering the greatest potential for improvement as well as those where an Energy Star designation could be achieved.
2. Contractor shall examine each of the City's buildings, athletic fields, and golf courses to develop a comprehensive plan to determine how to lower the City's energy costs and consumption rates and develop a detailed written plan that explains what must be done and what must be purchased to improve energy efficiency and reduce costs for each facility. This plan must include all associated costs of such a project, the timeline for implementation, and the guaranteed "return on investment" for such implementation. The technical strategies addressed by the proposer should include, but not be limited to, the following:
 - Lighting and lighting control, including fixture replacement switching and occupancy sensors.
 - All major heating and cooling equipment, including air handling equipment, boilers, pumps, chillers, exhaust fans, and so forth.
 - Installation of local and centralized digital energy management systems, which will form a City-wide energy management system.
 - Envelope components such as doors, windows, and insulation.
 - Demand limiting strategies, including cogeneration, capacitors, etc if appropriate.
 - Use of newer technologies where appropriate.
 - Reduction in water and sewer use cost.
 - Chilled water, hot water, and steam driven distribution systems
 - Electric motors and drives
 - Refrigeration.
 - Renewable Energy (i.e. photovoltaic, solar, ground coupled heat pumps)
 - Energy/utility distribution (transformers, power quality upgrades, power factor correction).

NOTE 1: The contractor will maximize the use of "standardization" of new fixtures (where new fixtures are actually required) so that long term maintenance and replacement costs of parts are easier and more cost effective. Additionally, the City desires the contractor to avoid using "proprietary" energy management systems where possible so that the City is not dependent on one specific vendor.

NOTE 2: The City reserves the right to take ownership of any and all energy savings equipment upon installation. This potentiality (and the resulting costs) shall be discussed during negotiations with the selected contractor.

NOTE 3: The City and selected contractor will establish a contractual agreement as to which organization is responsible for what level of maintenance on the installed equipment during contract negotiations and the resulting contract will specify this maintenance agreement.

A part of this plan must explain what the contractor will need to spend in order to implement any and all recommended energy efficiency improvements and the amount the City will need to reimburse the contractor from guaranteed cost savings per year. This plan should be no more than 18 years in duration. While the City reserves the right to extend for a longer term, upon mutual consent of both the City and the contractor, all proposers are to limit their plan to an 18 year term.

B. Other items of note with regard to the Phase Two Energy Audit and Project Development

Payment for Energy Audit Services. The contractor's receipt of payment for the energy audit services provided is based upon whether the City decides to implement the cost savings plan(s) developed by the contractor during the energy audit. In other words, if the City determines that the plan is reasonable, feasible, and achievable and therefore decides to implement said plan(s), then the City will pay the contractor for the energy audit as part of the energy-related savings that are achieved. However, if the City determines that the plan(s) are not reasonable, feasible, or achievable, and therefore decides not to implement said plan(s), then the City is under no obligation to pay for the audit. This is a risk that the submitting entity accepts when submitting a proposal for this particular project. Proposers must specify the cost of the Energy Audit within their proposal.

1. Stated Cost Markups. The contractor will state the cost markups in their proposal for equipment that is to be purchased to implement energy efficiency initiatives both in percentages and real dollar terms. The proposer must include both indirect costs and profit in their markup explanation submission.

Cost Estimates. The energy audit must include estimates of savings for each measure for each year. The City of Knoxville will allow the contractor to escalate their savings in accordance with the Annual Supplement to National Institute of Standards and Technology (NIST) Handbook # 135.

The cost estimate for each measure must include an estimate of all costs including design, engineering, installation, maintenance, repairs, and debt services, as well as other categories that apply. The contractor must provide the City of Knoxville a thorough level of detail to justify the top level costs to ensure prices are fair and reasonable. For example, a simple light retrofit project might consist of the following overall costs:

- Lighting Retrofit
- Design engineering: \$2000
- Installation: \$15,750
- Annual Maintenance: \$1500

- Repairs: \$2500

In this instance, the City wants to know how many hours of engineering was required, how many fixtures are being provided and how much time per fixture is required, and what does the \$1500 for maintenance and the \$2,500 for repairs include.

2. Allowable Payment Sources. Payment sources to support the capital investment payments are shown below:
 - Energy (electricity/natural gas) and water cost savings
 - Material/commodity savings including avoided costs such as lamp and ballast replacements, scheduled replacement of parts, etc. (only for the years that these savings are applicable)
 - Offset of future capital costs
3. Cost Savings Measures. Note that a reduction of manpower positions will NOT be considered as a cost saving measure. Only O & M cost savings that are truly realized by the City will be accepted. Any and all cost savings related to maintenance and operation of facilities will be rigorously reviewed and, if agreed to, will be limited to those that can be thoroughly documented and approved by the City's Energy & Sustainability Task Force. Moreover, the City reserves the right to employ the services of another consultant or firm to determine the accuracy of stated cost savings.
4. Annual Savings Estimates. The utility, operational, and maintenance cost savings for all measures must be estimated for each year during the contract period. The contractor must address the escalation of these savings in an understandable manner. The proposal must clearly lay out a set of financial schedules which depict annual cash flow for each and every year of the contract.
5. Measurement & Verification. The contractor shall include a Measurement and Verification (M&V) Plan that specifies the M&V requirements and procedures that apply on an ESM level basis. Said M&V plan shall comply with the latest version of the International Performance measurement and Verification Protocol (IPMVP).

PHASE THREE – Construction, Implementation, and Financing Upon satisfactory results of the Energy Audit, an Energy Savings 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.
Note: The City of Knoxville reserves the right to pay for any and all ESM equipment it so desires.
- 3) Construction management (i.e., overseeing any and all contractors the City may use to

build or install energy saving equipment)

- 4) The financing plan to help fund the capital improvements needed to implement the energy saving equipment and construction projects.

NOTE: Proposers must demonstrate they have competed the financing in the "open market." As such, proposers are required to submit a "Selection Memorandum" which documents the competition of their financing package with the various financiers they approached. This memorandum must show which financiers were invited to bid, which ones responded, which one was selected, and the rationale for the final selection.

Other points of note concerning Phase Three are as follows:

1. Use of Stated Cost Markups. Cost markups provided in the proposal are the maximum markups to be used in the Energy Savings Performance Contract, provided the size and scope of the project remain similar. Cost markups presented in the proposal can be negotiated downward. The proposal must include both indirect costs and profit in their markup explanation submission.
2. Open Book Pricing. Open book pricing is required, such that the contractor will fully disclose all costs, including all costs of subcontractors and vendors. The contractor will maintain cost accounting records on authorized work performed under actual costs for labor and material, or other basis requiring accounting records. The contractor will provide access to records and preserve them for a period of three (3) years after final payment. Costs will be evaluated through price analysis to compare costs with reasonable criteria such as established catalog and market prices or historical prices. Cost markups will be clearly applied.
3. Equipment Compatibility or Standardization. All equipment installed that is comparable to similar equipment at City-owned facilities shall offer compatibility with existing systems and/or be of the same manufacturer for standardization of equipment city-wide, unless excepted by the City. Note that the successful proposer must compete the financing component of the project in the commercial marketplace as studies show that the economic benefit to the client is significant when this is done properly.

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. More specifically, Phase Four of this project shall consist of the following:

- Start up and commissioning of equipment
- Continuing operations and maintenance for all improvements
- Staff training on maintenance of systems. Annual re-training of staff must be performed.
- Training of occupants with regard to energy saving measures
- Energy performance and cost savings guarantees
- Monitoring, verification, and reporting of reduced energy expenditures as a direct result of

improvements

- Monitoring and reporting of emissions reductions
- Certifying buildings according to the EPA Energy Star program, as feasible
- Maintaining long-term, high-efficiency performance of buildings

A. Submitting firms must have the technical capability to address a broad range of systems including, but not limited to:

- Mechanical Systems. Heating, ventilating, and air conditioning (HVAC) systems, energy management and control systems, domestic hot water systems, distribution systems, etc.
- Lighting Systems. Indoor and outdoor lighting systems, lighting controls, lighting strategies
- Building Envelope Systems. Windows, insulation, weatherization, etc. The City recognizes that window replacements are rarely cost-effective, but could be considered as part of a comprehensive plan.
- Specialty Systems. Laundry equipment, kitchen equipment, pool systems, and renewable energy systems
- Water and Sewage Systems. Automatic controls, low-flow faucet aerators, low-flow toilets, cooling tower modifications, pool covers, and irrigation system controls or modifications

B. Buildings and Facilities. The facilities identified for this work are listed in attachment C. The City of Knoxville reserves the right to reduce the scope of work or conduct work in phases. Additional buildings and facilities may also be included in the future under the same contract.”

C. Other points of note concerning the Commissioning, Guarantee, Monitoring Phase are:

1. Contract Term. The contract term shall be for 18 years, provided the cost-weighted average lifetime of the equipment exceeds the contract term.
2. Annual Appropriations. Payment to the contractor is subject to annual appropriations.
3. Annual Savings Exceed Annual Costs. Actual savings for each year during the contract period shall exceed annual contract payments. Annual project costs include debt service, contractor fees, maintenance services, monitoring services, and recurring services such as insurance, training, and taxes.
4. Annual Guaranteed Cost Savings. The successful proposer must provide a written annual guaranteed savings for each and every year of the contract term with their proposal and (if accepted) this language will be clearly stated in the final executed contract. Note that the sum of utility cost savings and operation and maintenance cost savings for each year will equal or exceed the calculated annual costs and the amount of the annual payment.
5. Excess Savings. Annual cost savings beyond the guaranteed minimum savings will be retained by the City and will not be allocated to shortfalls in other years.

V. GENERAL CONDITIONS. The following data is intended to form the basis for submission of qualifications to provide Energy Savings Performance Contracting Services for the City of Knoxville. This material contains general conditions for the procurement process, the scope of service requested;

contract requirements; instructions for submissions of qualifications; and submission forms that must be included in the statement of qualifications. The RFQ should be read in its entirety before preparing the proposal.

5.1 All materials submitted pursuant to this RFQ shall become the property of the City of Knoxville. To the extent permitted by law, all documents pertaining to this RFQ shall be kept confidential until the evaluation is complete, and a contract is awarded. No information about any submission shall be released to anyone until the process is complete, except to the members of the Evaluation Committee, who shall evaluate the qualifications, and other appropriate City staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected contractor.

5.2 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFQ shall be made **in writing and in the hands of the City of Knoxville Purchasing Agent by the close of the business day on 10 April 2008**. Questions can be submitted by letter, fax (865-215-2277), or email to bhevans@cityofknoxville.org. The City of Knoxville shall not be responsible for oral interpretations given by any City of Knoxville employee, representative, or others. The issuance of written addenda is the only official method whereby interpretation, clarification or additional information can be given. If any addenda are issued to this Request for Qualifications, the City of Knoxville Purchasing Division will attempt to notify all prospective submitting entities and the addenda shall become a permanent part of the RFQ; however, **it shall be the responsibility of each submitting entity, prior to submitting proposals, to contact the City of Knoxville Purchasing Division at 865-215-2070 to determine if addenda were issued and to make such addenda a part of the submission of qualifications. Any addenda will also be posted on the City's website at www.cityofknoxville.org/purchasing.**

5.3 The City of Knoxville reserves the right to (a) accept or reject any and/or all submissions of qualifications; (b) to waive irregularities and technicalities; (c) accept any alternative submission of qualifications presented which in its opinion, would best serve the interests of the City of Knoxville; (d) give full and proper evaluation of the firm or team presenting the statement of qualifications. The City shall be the sole judge of the qualifications, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. Also, the City reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the City deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but shall not be limited to: current financial statements by an independent CPA; verification of availability of equipment and personnel; and past performance records.

5.4 Included in the Contract Documents is an affidavit that the undersigned has not entered into any collusion with any person in respect to their submission. The submitting entity will be required to execute and submit this affidavit prior to execution of the Contract by the City.

5.5 Failure of the successful respondent to deliver to the City a properly signed and witnessed contract agreement with all required bonds and insurance policies within 14 calendar days after receipt of written notice of award, or within such extended period as the Purchasing Agent may grant, shall constitute a default, to the City, which may either award the contract to the next lowest respondent, or re-advertise for RFQ's.

5.6 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), Knoxville City Council approval is required before the final contract may be executed.

5.7 All expenses for making submission of qualifications shall be borne by submitting entity.

5.8. Any submission may be withdrawn up until the date and time for opening of the submissions. **Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 90 days to the City of Knoxville for the services set forth in the RFP until one or more of the submissions have been duly accepted by the City.**

5.9 Mandatory site meeting and tour of the facilities will be held on 10 & 11 March 2008. Note that this will be of two-day duration. The purpose of this site meeting and tour is to clarify any questions or concerns over the project and scope of work and to allow potential submitting entities the opportunity to visit some of the larger City-owned facilities. Knowledgeable representatives will be available to answer questions about operation and maintenance practices, problems, concerns, and future plans. Submitters must complete and return the **Site Visit Registration Form to the City of Knoxville Purchasing Agent, by mail or FAX. The site visit registration must be received by the Purchasing Agent no later than March 3rd, 2008 in order to attend the mandatory site visit. The site visit is mandatory for any firm desiring to submit a statement of qualifications.** The site visit registration form is located within this RFP. All organizations will tour the facilities at the same time to ensure that each hears all questions and answers.

No submission will be considered by the evaluation committee if the organization did not attend the site visit. Such submissions will be returned unopened.

VI. CONTRACT REQUIREMENTS Submitting entities, if selected, must be willing to sign a contract with the City of Knoxville which will include certain provisions, among which are the following:

6.1 The contract shall consist of: (1) the RFQ; (2) the qualifications submitted by the contractor to this RFQ; and (3) the contract. In the event of a discrepancy between the contract, the RFQ, and the submitted qualifications, the contract will prevail.

6.2 The contract will be administered by the City of Knoxville Department of Policy & Communications.

6.3 Invoices for services will be submitted to the City in accordance with the contract terms.

6.4 The relationship of contractor to the City will be that of independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the City of Knoxville.

6.5 The contractor shall not assign or transfer any interest in this contract without prior written consent of the City of Knoxville.

6.6 The successful entity must be willing to sign an indemnification clause in a City contract

that consists of the following language:

A. Contractor, its agents and employees shall defend, indemnify and hold harmless the City of Knoxville, its agents and employees from any and all liability to Contractor, and agents and employee or any third parties for claims, personal injuries, property damage, or loss of life or property resulting from, or in any way connected with, or alleged to have arisen from, the performance of this agreement, except where the proximate cause of such injury, damage, or loss was the sole negligence of the City of Knoxville, its agents or employees.

B. Contractor, its agents and employees shall defend, indemnify and hold the City of Knoxville harmless for the cost of the defense of any claim, demand, suit or cause of action made or brought against the City of Knoxville alleging liability referenced in paragraph A, including, but not limited to, cost fees, attorneys' fees, and other expenses of any kind whatsoever arising in connection with the defense of the City of Knoxville; and to assume and take over the defense of the City of Knoxville in any such claim, demand, suit or cause of action upon timely notice and demand for same by the City of Knoxville, except where the proximate cause of such injury, damage or loss was the sole negligence of the City of Knoxville, its agents or employees.

C. Contractor, its agents and employees shall defend, indemnify and hold the City of Knoxville harmless and pay all judgments that shall be rendered in any such actions, suits, claims or demands against the City of Knoxville alleging liability referenced in paragraph A, except where the proximate cause of such injury, damage or loss was the sole negligence of the City of Knoxville, its agents or employees.

6.7 The City may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor. If the City terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the City, and the City shall have no further or other obligations to the Contractor: (a) The amount due to the Contractor for work executed through the date of termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if the Project had not been terminated; and (b) the direct out-of-pocket costs incurred by the Contractor for demobilization of the Project following receipt of the notice of termination, not to exceed the amount reasonably and actually required to demobilize the Project.

6.8 The contractor must be licensed to conduct business in the state of Tennessee and the contractor must maintain license during the period of the contract and shall submit evidence of compliance. As this project will require utilization of an Engineer – the Engineer must also be licensed in the State of Tennessee.

6.9 When applicable and prior to the commencement of the contract, contractor must furnish the City of Knoxville with properly executed certificates of insurance, which shall clearly evidence all insurance required by the City. Such insurance shall be at a minimum the following: commercial general liability (occurrence basis) with limits of one million dollars; automobile liability for any auto with limits of one million dollars; workers compensation with statutory limits and employers liability with limits of one hundred thousand dollars. Additional insurance may be required on the basis of the scope of the negotiated contract. The City, its officials, officers, employees and

volunteers are to be added as insured's on all liability insurance policies with respect to liability, arising out of the work or operations performed by or on behalf of the Contractor. Such insurance will be primary and any insurance or self-insurance maintained by the City will apply in excess of, and not contribute with, the insurance required. Required insurance shall not be canceled, allowed to expire or be materially reduced in coverage until after thirty days written notice has been given to the City Attorney.

6.10 Attention of all firms is directed to the following provisions contained in the Code of the City of Knoxville: Chapter 24, Article II, Section 24-33 entitled "Debts owed by persons receiving payments other than Salary;" Chapter 2, Article VIII, Division 11, Section 2-1048 entitled "Conflict of interest" which states, "It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee's knowledge there is a financial interest possessed by: (1) the employee or the employee's immediate family; (2) A business other than a public agency in which the employee or member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or (3) Any person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment;" Section 2-1049 of the Code entitled "Receipt of benefits from city contracts by council members, employees and officers of the city," which states "It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void;" Section 2-1050 entitled "Gratuities and kickbacks prohibited," which states that "It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of: (1) An official action taken, or to be taken, or which could be taken; (2) A legal duty performed, or to be performed, or which could be performed; or (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee. Anything of nominal value shall be presumed not to constitute a gratuity or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order;" and Section 2-1051 entitled "Covenant relating to contingent fees," which states that "Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business."

6.11 Firms must comply with the President's Executive Order No. 11246 and 11375 which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act

of 1990, all of which are herein incorporated by reference.

6.12 Firms shall give consideration to the inclusion of minority firms or individuals in this project, and shall advise the city in this proposal of their efforts to do so.

6.13 Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.

6.14 Before a contract will be signed by the City, the submitting entity, if selected, **must** provide the Purchasing Division a copy of its valid business license or with an affidavit explaining why it is exempt from business licensure requirements of the city or county in which it is headquartered. If a contract is signed, the contractor's business license shall be kept current throughout the duration of the contract, and the contractor shall inform the City of changes in its business name or location.

VII. INSTRUCTIONS TO SUBMITTING ENTITIES. Statements of Qualifications shall comply with the following instructions. These instructions are intended to ensure that (1) submissions contain the information and documents required by the City of Knoxville in this RFQ; and (2) the submissions have a degree of uniformity in the presentation of material, which will facilitate evaluation by the Evaluation Committee.

7.1 **General.** Submission forms and RFQ documentation may be obtained on or after 4 February, 2008, at no charge from:

City of Knoxville Purchasing Division
City/County Building
400 Main Street, Room 667
Knoxville, Tennessee 37902

between 8:00 a.m. and 4:30 p.m. (Eastern Time), Monday through Friday or by calling 865-215-2070. Forms and RFQ information are also available on the City web site at www.cityofknoxville.org/purchasing where it can be read or printed using Adobe Acrobat Reader software.

7.2 **Statements of Qualifications.** The statement of qualifications will include an executive summary, the technical approach to Energy Savings Performance contracts your organization normally uses, a description of your financial stability, proof of your qualifications and demonstrated competence with regard to Energy Savings Performance Contracts of similar size and complexity.

1. Executive Summary

2. Technical Approach

- Past ESM descriptions and Projected Energy Savings including:
 - Detailed description of practices you have used with regard to other Energy Savings Performance Contracts of similar size and complexity.
 - Interface with existing equipment. Describe how you have addressed this area in past projects.

- Physical changes. What type physical changes have you implemented in the past to garner energy savings that might be used in regard to this project?
- Utility interruptions. How have you mitigated this challenge in the past?
- City support required. What will you need the City to provide/assist you with?
- Environmental Approach: Describe how you have measured and mitigated environmental impacts in past projects. Describe your experience with renewable energy installations."
- Phasing of work (i.e. construction) to minimize impact to the ongoing mission and operation of building.
- M&V - Energy Baseline & ESM Performance Measurement. Describe how your organization has approached this crucial area in the past with regard to:
 - Objectives
 - Parameters typically monitored
 - Pre-installation energy and facility performance baseline development
 - Post-installation facility performance
 - Post installation performance reporting, proving the potential to meet the performance guarantee
 - Plan for future (annual) measurements to confirm persistence of savings
- Management Approach. Describe your management approach with regard to:
 - Contractors organization
 - Summary of Risks detailing responsible party
 - Operations and Maintenance. What has been your approach to O & M in the past?
 - Repair and Replacement. What has been your approach to this area in the past?
 - ESM Training. How have you conducted ESM training in previous projects?

3. **Financial Stability.** Describe your organization's financial stability by providing the following:

- Balance Sheet for the years of 2005, 2006, & 2007.
- Profit & Loss statement for the years of 2005, 2006, & 2007.
- State the amount of working capital you had on hand for the years of 2005, 2006, & 2007

4 Qualifications. Describe your organizations qualifications with regard to conducting similar projects by providing the resume's of the top management team of your organization and (more importantly) the resume's of the persons who will actually be doing the work here in Knoxville if your firm is selected.

5. Demonstrated Competence. Describe similar projects, with regard to scope and size, which your organization has completed successfully in the past. Describe the initial situation, what you did to help the organization save energy, and how much money you saved them. Describe your approach to accounting for environmental benefits. Additionally, provide the names and contact information for persons who can vouch for your performance on such projects.

Additionally, all proposals should address the evaluation criteria described in section IX.

7.3 An original and 15 copies of the qualifications shall be submitted. Qualifications shall clearly indicate the legal name, address and telephone number of the submitting entity (company, firm, partnership, individual). Qualifications shall bear an original signature, being signed above the typed or printed name and title of the signer. All qualifications must be signed by an officer of the company authorized to bind the firm to a contract.

Qualifications will be received until 11:00 AM (Eastern Time) on 18 April 2008. Each qualification must be submitted in a sealed envelope addressed to:

City of Knoxville Purchasing Division
City/County Building
400 Main Street, Room 667
Knoxville, TN 37902

Each sealed envelope containing a qualification must be plainly marked on the outside "Submission of Qualifications to provide Energy Savings Performance Contracting Services to be Opened at 11:00 AM (Eastern Time), on 18 April 2008.

Any qualifications received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the qualifications delivered to the City of Knoxville Purchasing Division office for receipt on or before that date.

If a statement of qualifications is sent by U.S. mail, the submitting entity shall be responsible for its timely delivery to the City of Knoxville Purchasing Department. Qualifications delayed by mail shall not be considered and arrangements shall be made for their return at the submitting entity's request and expense.

7.4 **Format.** Qualifications must be typed on 8.5 x 11 inch wide white paper. Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page.

Qualifications shall be structured as follows:

1. Table of Contents
2. Required Forms
 - A. Submission Form (S-1)
 - B. Non-Collusion Affidavit
 - C. Drug Free Workplace Affidavit
 - Proof of business license with expiration date.
 - EBOP Form I or II
3. Body of Qualification: (refer to paragraph 7.2 above)

NOTE: The total page count for the statement of qualifications shall be no more than 50 pages. Failure to adhere to this limit will be viewed unfavorably by the selection committee.

7.5 **Evaluation of Qualifications.** All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFQ may cause any submission to be ineligible for

evaluation.

Firms responding to this RFQ shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFQ requirements. After qualifications are opened, any selected entity notified by the City should be prepared to meet with the Evaluation Committee at the time and date determined by the City. Firms may then be interviewed by the evaluation committee. The interview provides the opportunity to address questions and more fully describe how the approach to this project satisfies the evaluation criteria. Organizational representatives at the interview should include individuals who will be *key* points of contact and have major responsibility for contract negotiation, engineering and design, construction management and follow-up monitoring. Interviews may be tape-recorded.

Selection shall be based on the firms' qualifications applicable to the scope and nature of the services to be performed per this RFQ as explained previously. Determination of firms' qualifications shall be based on their written responses to this RFQ and information presented to the Evaluation Committee during oral interviews, if any.

Each Statement of Qualifications will be judged according to the evaluation criteria below. Maximum score is 100 pts.

In addition to materials provided in the written responses to this RFQ, the committee may request additional material or information as needed. Additionally, reference checks will be conducted with the top ranked firm prior to making a final selection recommendation.

Provided it is in the best interest of the City of Knoxville, the firm or team determined to be the most responsive, taking into consideration the evaluation factors set forth in this RFQ will be selected to prepare proposals for the entire scope of work described in section IV of this RFQ. The firms or teams selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary.

If no satisfactory agreement can be reached with the "most responsive firm," the City may elect to negotiate with the next most responsive firm or team.

XIII. EVALUATION CRITERIA The criteria listed below will be used to evaluate written submissions. The scoring weight is listed for each criterion. These criteria will be applied and interpreted solely at the discretion of the City of Knoxville. Qualifications should include all necessary information pertinent to these evaluation criteria. Additional information required for proper assessment of proposals may be requested at the discretion of the City. Evaluation criteria and points are as follows:

2. Technical Approach (30 points)

- Past ESM descriptions and Projected Energy Savings including:
 - Detailed description of practices you have used with regard to other Energy Savings Performance Contracts of similar size and complexity.
 - Interface with existing equipment. Describe how you have addressed this area in past projects.
 - Physical changes. What type physical changes have you implemented in the past to

- o garner energy savings that might be used in regard to this project?
 - o Utility interruptions. How have you mitigated this challenge in the past?
 - o City support required. What will you need the City to provide/assist you with?
 - o Environmental Approach: Describe how you have measured and mitigated environmental impacts in past projects. Describe your experience with renewable energy installations.
 - o Phasing of work (i.e. construction) to minimize impact to the ongoing mission and operation of building. How you have handled this in the past.
- **M&V - Energy Baseline & ESM Performance Measurement -** Describe how your organization has approached this crucial area in the past with regard to:
 - o Objectives
 - o Parameters typically monitored
 - o Pre-installation energy and facility performance baseline development
 - o Post-installation facility performance
 - o Post installation performance reporting, proving the potential to meet the performance guarantee
 - o Plan for future (annual) measurements to confirm persistence of savings
 - **Management Approach.** Describe your management approach with regard to:
 - o Contractors organization
 - o Summary of Risks detailing responsible party
 - o Operations and Maintenance. What has been your approach to O & M in the past?
 - o Repair and Replacement. What has been your approach to this area in the past?
 - o ESM Training. How have you conducted ESM training in previous projects?

3. Financial Stability. (30 points). Describe your organization's financial stability by providing the following:

- o Balance Sheet for the years of 2005, 2006, & 2007.
- o Profit & Loss statement for the years of 2005, 2006, & 2007.
- o State the amount of working capital you had on hand for the years of 2005, 2006, & 2007

4 Qualifications. (20 points) Describe your organizations qualifications with regard to conducting similar projects by providing the resume's of the top management team of your organization and (more importantly) the resume's of the persons who will actually be doing the work here in Knoxville if your firm is selected.

5. Demonstrated Competence. (20 points). Describe similar projects, with regard to scope and size, which your organization has completed successfully in the past. Describe the initial situation, what you did to help the organization save energy, and how much money you saved them. Additionally, provide the names and contact information for persons who can vouch for your performance on such projects.