

REQUEST FOR QUALIFICATIONS

FEBRUARY 9, 2023

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES
FACILITIES PROFESSIONAL SERVICES DIVISION
ENERGY PROGRAM
OLYMPIA, WASHINGTON

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NOTICE TO ENERGY SERVICE COMPANIES (ESCOs)

ESCO services are required to identify, finance, design and install energy and utility efficiency measures for Project No. 2023-185.

GENERAL

This is a pre-qualification of ESCOs for future Energy Savings Performance Contracting (ESPC) projects. There is no minimum number of ESCOs to be qualified and there is no minimum amount of work to be guaranteed for pre-qualified ESCOs. This potential future work is for State Agencies, Public Higher Ed, Public School Districts, and Municipalities working through the Washington State Department of Enterprise Services Energy Program (DES Energy Program).

This pre-qualification of ESCOs is for work managed by the DES Energy Program, as designated in RCW 39.35A.050. It is not for work contracted directly between the Public Agencies and the Energy Services Company (ESCO). If the Public Agency is not working through the DES Energy Program, they must follow an RFP process.

It may be beneficial for the ESCO to review the DES Energy Program performance contracting guidelines prior to submitting a response to this RFQ. The guidelines can be found on the DES Energy Program ESPC website under additional resources:

[Energy Savings Performance Contracting \(ESPC\) | Department of Enterprise Services \(DES\)](#)

ESCOs will be considered for selection based upon their demonstrated ability to identify, design, finance, install, commission, as well as measure and verify energy, water, and solid waste efficiency measures in facilities; to include street lighting. This demonstrated ability will be in accordance with Washington State statutes, rules, regulations, and guidelines for energy performance contracting.

ESCOs must be a licensed Washington State general contractor at the time of submittal and have engineer(s) licensed in the State of Washington as part of the ESCO team.

The evaluation process will be conducted in two phases; 1) evaluation of written submissions and 2) oral interviews; both conducted by a single selection panel.

- **Phase 1** of the selection process will be an evaluation of the written submission from each ESCO. Each ESCO will be individually scored on their submission by each member of the panel. A minimum collective score of 400 out of 500 (summation of individual panel member scores) possible points from the panel will be needed for an ESCO to move to Phase 2 of the selection process.
- **Phase 2** will consist of an oral interview in the following format:
 - The ESCO will describe their technical qualifications, outline personnel resources proposed to conduct the work, and present the results of a previously completed energy savings performance contracting project from the preliminary audit stage thru the post-implementation measurement and verification period.
 - The panel will ask questions of the ESCO including but not limited to clarification of the ESCOs project presentation.
 - The ESCO will have an opportunity to ask the panel questions and follow up with any further information they want to impart to the panel.

The scoring methodology of both phases will be the same. Scoring from Phase 1 does not carry through to Phase 2. The final scoring will not result in a ranking of ESCOs. A minimum score of 400 out of 500 (summation of individual panel member scores) possible points from the panel will be required for acceptance into the program.

DEFINITIONS

An ESCO is an energy consultant who engages in a performance-based contract with a public-sector client agency to develop and install measures that reduce energy, water, and solid waste consumption and/or costs, and/or provide benefits such as greenhouse gas reductions in a technically and financially viable manner.

An ESCO's experience is defined as the experience of the firm and/or its employees and is comprised of those projects that the current staff of the firm have implemented either at this firm or any other firm. If the projects identified were implemented by staff in their tenure at another firm this needs to be clearly identified. The ESCO must have permission from any third-party to use and include their work products in their response.

An energy services proposal (ESP) means a written report describing the client agency's facility and those buildings and/or systems that will receive ESCO equipment and services. The ESP identifies and describes in detail:

- the scope of work,
- the guaranteed maximum project cost and the total project cost
- the guaranteed minimum energy savings resulting from the project and how it will be guaranteed by the ESCO
- the guaranteed equipment performance
- Schedule for project completion
- Measurement and verification plan

An investment grade audit (IGA) report means a supplemental document to and referenced by the ESP describing the findings of the detailed investment grade energy audit. It must be stamped by a licensed professional engineer. The document will provide detailed documentation of at a minimum:

- field work for the detailed investment grade energy audit,
- calculation inputs and outputs in support of the recommendations made in the ESP,
- economic and engineering assumptions,
- sketches, floor plans and any other information developed during the detailed investment grade energy audit.

The underlying investment grade audit must be at least an ASHRAE Level 2 audit effort.

A measurement and verification (M&V) report means a written report describing the actual savings derived over a given period from measures installed to reduce energy, water, and solid

waste consumption and/or costs. The actual savings are determined by a protocol and methodology conforming to the International Performance Measurement and Verification Protocol (IPMVP) determined prior to the installation of the measures.

Performance Contracting means contracts for which payment is conditional upon achieving contractually specified savings (RCW 39.35C.010).

SCOPE OF WORK

This project is for energy savings performance contracts throughout the State of Washington. The DES Energy Program will provide project management services to State Agencies, Public Higher Ed, Public School Districts, and Municipalities who select ESCOs from this prequalified selection.

ESCOs will provide a range of professional services, including energy auditing, building benchmarking, determination of client baseline energy consumption, analysis of impact of identified energy efficiency measures (EEMs), preparation of an energy services proposal (ESP); multi-discipline engineering design of approved efficiency measures, assistance with obtaining and maximizing utility incentives; project construction management, installation of the efficiency measures; financial and risk analysis and management, commissioning of installed project elements, operations and maintenance training for new or renovated systems; and measurement and verification (M&V) of savings. The scope of work may also include the installation of electric vehicle charging stations and renewable energy projects, such as solar, wind, geo-thermal, etc.

ESCOs will provide a guaranteed maximum project cost, guaranteed minimum energy savings in native units (also represented as dollars), other benefits of the project (such as greenhouse gas or carbon reduction) and guaranteed equipment performance for the projects they design and install. Guaranteed savings and performance are to be based upon detailed, site-specific information collected in an investment-grade audit. ESCOs must have the financial capability to fund their professional services and the installation of projects and be willing to be reimbursed based upon the savings over the term of the investment.

SELECTION PROCESS

ESCOs will be considered for selection based upon the following criteria: Experience; Management Approach; Project Approach; Program Requirements; Savings and Performance Guarantees; and Computation of Baseline and Post Installation Energy Use.

Phase 1 – Written Submission

ESCO's Statements of Qualifications for this project will, at a minimum, address the following (30) topics and appendices. Please restate the number and the criteria prior to your response.

ESCO's EXPERIENCE (8pts)

1. Provide a summary table (sample below) no more than the most recent ten (10) energy performance contracting projects completed in the past two years. This will include project title, guaranteed maximum project (GMAX) cost, guaranteed energy savings, number of buildings, total square footage, and client contact information. If the ESCO has completed more than seven (7) projects within Washington State, the ESCO may list just the Washington State projects, to not exceed ten (10).

Project Title	GMAX Cost	Guaranteed Energy Savings	Number of Buildings	Total Square Footage	Client Contact Information

2. Describe the ESCO's experience working in the following building types. Including but not limited to:
 - a. Offices
 - b. Higher Education facilities
 - c. Hospitals
 - d. Correctional/Public Safety facilities
 - e. Public housing
 - f. Wastewater treatment plants
 - g. K-12 schools
 - h. Laboratories
 - i. Data Centers
 - j. Aquatic Centers
 - k. Historic Buildings

3. Describe the ESCO's experience in implementing the following project types. Including but not limited to:
 - a. heating plants (including steam),
 - b. chilled water plants,
 - c. building envelope systems
 - d. heating ventilation and air conditioning systems,

- e. heat recovery,
 - f. energy management and control systems,
 - g. lighting and lighting control systems,
 - h. street lighting
 - i. water efficiency
 - j. water and wastewater treatment plants
 - k. other utility system improvements, including demand response
 - l. electric vehicle charging
 - m. renewable energy systems, not limited to PV
4. Describe the experience and familiarity of ESCO staff with the Washington State ESPC program. If you do not have experience with the Washington program, please describe your experience with any other state or federal ESPC program. Describe the duties and responsibilities of the staff responsible for administration and delivery of any potential work in Washington State. Include information on at least the following key positions including primary name and contact info for each: (This is not to be a resume, resumes for identified individuals are included in appendix 6)
- a. Primary Contact
 - b. ESPC Program Director or Account Executive
 - c. Marketing Contact
 - d. Project Developer
 - e. Project Designer
 - f. Construction Manager
 - g. Measurement and Verification Specialist

MANAGEMENT APPROACH (24pts)

5. How will you ensure that your typical project team understands and implements Washington State Public Works Contracting Requirements, paperwork including but not limited to Statements of Intent, Affidavit of Wages Paid, Certified Payroll, BG2NOW, and Apprenticeship? For those employees that are responsible for these requirements, what training will be provided, and what qualifications and experience will be required. Please provide the ESCO's understanding of the elements of these requirements and when these need to be submitted or documented.
6. Describe the ESCO's approach to marketing to potential clients and how the ESCO will involve DES Energy Program personnel in the process.

7. Discuss your routine strategies for identifying and assisting the client agency in applying for, including the elements that the ESCO will take primary responsibility for in the process:
 - a. Utility incentives.
 - b. State grants
 - c. Federal grants
 - d. Energy Efficiency loans or bonds
 - e. Other grants or loans as applicable
8. What is the ESCO's understanding of the Clean Building Act requirements? What is the ESCO's understanding of the State's goals for electrification and decarbonization? How will the ESCO ensure that the client agency will be able to meet the requirements via proposed projects?
9. How do you identify if a potential project would be viable to implement. Viability may be associated with minimum project size, meeting mutually agreed upon cost effectiveness criteria, or technical feasibility that meets ESPC requirements.
10. Describe the ESCO's method for the following:
 - a. selecting sub-contractors or vendors; and what role will the client agency have in this
 - b. use of self-performance capabilities, if applicable
 - c. maintaining cost competitive pricing, especially when the ESCO is self-performing work, or a contractor/vendor is selected without any bidding of the work; how will the ESCO document that this is the best value for the project
 - d. substantiation of construction costs.

PROJECT APPROACH (20 pts)

11. Describe the ESCO's typical approach to IGA/ESP proposal development. At a minimum include the following points.
 - a. How are cost effective criteria developed and who determines the criteria
 - b. How are potential EEMs identified
 - c. How is the scope of the audit developed
 - d. How is the cost for the IGA developed
 - e. How are DES and the client involved in this process
12. Describe the ESCO's typical approach to project development from IGA/ESP proposal to delivery of the IGA report and ESP. At a minimum include the following points.
 - a. How are the EEM scopes developed
 - b. How are the costs of the EEMs developed
 - c. How is the client involved in this process

- d. Identify the specific points where the ESCO will involve the DES project manager in this process
13. Describe the ESCO's routine construction management procedures. At a minimum include the following points
 - a. In general, what does the ESCO consider potential project risks and how does the ESCO manage these risks
 - b. How does the ESCO develop the contingency and manage it during the progress of construction? What factors are considered to determine the amount of contingency?
 - c. How does the ESCO provide on-site supervision during construction?
 - d. Describe the ESCO's familiarity with the DES Energy Program change order process, what documentation is required?
 - e. When would construction change order proposals be presented to the DES Energy Program and the client?
 - f. How do such change order proposals affect the project's guaranteed maximum price?
 - g. Identify the specific points where the ESCO will involve the DES project manager in this process
14. Which positions within the ESCO project team are responsible for timely delivery of accurate project paperwork? Including but not limited to the following:
 - a. Audit proposals
 - b. IGAs/ESPs
 - c. design documents
 - d. construction documents,
 - e. field authorizations (FA) and change order proposals (COP),
 - f. meeting minutes,
 - g. invoices,
 - h. O&M manuals,
 - i. commissioning reports,
 - j. closeout documents
 - k. M&V reports
15. How would the ESCO successfully address problems that could arise on a project, e.g., equipment delays, ESCO personnel changes, budget/cost issues?

PROGRAM REQUIREMENTS (10 pts)

16. How does the ESCO fulfill the public works requirements for apprenticeship training programs as directed by Chapter 39.04.320 RCW?
17. Identify specific strategies the ESCO will use in the solicitation and award of subcontractors to achieve Diverse Business participation. In the last two years what percent of the ESCO's projects by dollar spent went to diverse businesses by type: WBE, MBE, VBE, SBE; for both construction and professional services?
18. What barriers does the ESCO see that prevents recyclable construction debris from being recycled? Does the ESCO factor in the client agency's recycling policies into the process?
19. Describe the ESCO's policy and procedures in handling hazardous materials. This includes when a client agency cannot or will not contract for remediation outside of the project.
20. Describe the ESCO's ability and willingness to provide construction period financing. Describe the ESCO's ability and willingness to provide long term financing of projects. Provide what limitations would be placed on the financing. Provide letters of commitment from funding sources or from the ESCO's Chief Financial Officer.

SAVINGS AND EQUIPMENT PERFORMANCE GUARANTEES (16 pts)

21. Describe the ESCO's project cost guarantee policies, procedures and risk mitigation; including examples of remedies when project costs exceed ESCO guarantees.
22. Describe the ESCO's energy savings guarantee policies, procedures, and risk mitigation, including examples of remedies when actual savings are lower than the ESCO's guarantees, and the length of the savings guarantees.
23. Describe the ESCO's equipment performance guarantee policies, procedures and risk mitigation, including examples of remedies when performance of equipment does not meet expectations.
24. Describe the ESCO's warranty enforcement role and the ESCO's responsibility, if any, when there is an equipment failure beyond the warranty period.

COMPUTATION OF BASELINE AND POSTINSTALLATION ENERGY USE (20 pts)

25. Describe the ESCO's methodology for developing and calculating baseline energy. Including but not limited to:
 - a. Utilization of utility use history.
 - b. Software tools used.
 - c. Potential measurements of existing equipment for energy use.
 - d. Allocating energy use when campus settings are master metered.

- e. Potential scenarios where a modified baseline may be proposed.
26. Describe the ESCO's methodology for calculating energy savings of proposed EEMs. Provide brief examples.
 27. How does the ESCO add value to the project with the M&V process? How does the ESCO balance the cost of the M&V and the benefits derived from the project? At what steps during the project does M&V activity occur, from determination of appropriate M&V protocol to delivery of the M&V report?
 28. How and when do you collaborate with the client agency and DES during the M&V process?

APPENDICES:

These documents are required and if not included the submission will be deemed non-responsive. These documents will not be scored.

1. The sample ESPC project called for herein. Include:
 - a. Preliminary Audit findings
 - b. IGA/ESP proposal
 - c. IGA report as described above
 - d. ESP as described above
 - e. M&V Report as described above
2. A boiler plate IGA Report (do not have project specific information in document, use placeholders)
3. A boiler plate ESP (do not have project specific information in document, use placeholders)
4. A boiler plate M&V Report (do not have project specific information in document, use placeholders)
5. An Inclusion Plan
6. Set of project references
7. Resumes or CVs of key personnel; indicate if experience was obtained with another firm.

Note: The sample performance contracting project (Appendix 1) should preferably have been completed within the past two years and includes all the elements identified above. The ESCO should be ready to describe (during Phase 2) the energy and utility efficiency measures identified (including pricing), and how accurate the ESCO was in determining project cost, energy savings and any utility incentives received. Pricing will include an itemized breakdown of all costs and fees related to the recommended measures, with construction costs broken down by measure or by construction categories. If the ESCO's original audit results did not include a pricing breakdown, then the ESCO shall attach an addendum describing the costs associated

with the recommended measures. The ESCO must also present financing options (including an ESCO proposed financing option with proposed interest rate and loan term) and recommendations made to the facility owner to fund the recommended final project.

Phase 2 – Oral Interview

ESCO personnel brought to interview will be local staff.

Phase 2 will consist of an oral interview where the ESCO will describe their technical qualifications, outline personnel resources that are proposed to conduct the work, and present the results of a previously completed performance contracting project from the preliminary audit stage thru the post implementation measurement and verification period. This information should reference the twenty-eight (28) criteria identified in this RFQ.

The period of performance for these ESCO services shall commence once an Agreement is properly signed and expires on June 30, 2025, unless altered or amended.

Diverse Business Inclusion

Phase 1 Submittal Requirements (mandatory requirement, Not Scored):

- All Firms, including diverse-owned firms, will be required to submit a Diverse Business Inclusion Plan, Attachment 2 to this advertisement. The Inclusion Plan should demonstrate in detail the specific strategies, approaches, and steps your firm will use in seeking to help meet or exceed the state's aspirational diverse business participation goals. Achievement of the goals is encouraged

Aspirational Goals:

The Governor's Office's aspirational goals for diverse business inclusion are:

- 10% Minority Owned Business certified by the Washington State Office of Minority and Women Business Enterprises
- 6%, Women Owned Business certified by the Washington State Office of Minority and Women Business Enterprises
- 5% Veteran Owned Business certified by the Washington State Department of Veterans Affairs

- 5% Washington Small Businesses self-identified in the Washington Electronic Business Solution
- [Tips for Small, Diverse and Veteran-Owned Businesses | Department of Enterprise Services \(DES\) \(wa.gov\) \(WEBS\)](#).

The selected ESCOs and all sub-contractors/consultants are required to register and create an account with the DES Diversity Compliance program (B2Gnow). B2Gnow is designed to streamline and automate reporting requirements.

ESCOs may contact the following resources to obtain information on certified and registered diverse business firms for potential sub-consultants:

- The Office of Minority and Women's Business Enterprises: 866.208.1064 or 360.664.9750 or [Office of Minority and Women's Business Enterprises | \(wa.gov\)](#),
- For small business information: Charles Wilson, Public Works Business Diversity Program Manager at the Washington State Department of Enterprise Services: 360.407.8455 or 360-999-7667 or charles.wilson@des.wa.gov
- The Department of Veterans' Affairs: 360.725.2169 or 360.725.2200 or [WDVA \(wa.gov\)](#) or [Search for Veteran Owned Businesses | WDVA \(wa.gov\)](#)

If selected, all ESCOs are required to report payment detail in the DES Diversity Compliance program B2GNow. B2Gnow is a tool designed to streamline and automate compliance reporting requirements: [Public Works Diversity Tracking & Management System \(diversitycompliance.com\)](#)

SUBMITTAL REQUIREMENTS

ESCOs desiring consideration shall submit a Statements of Qualifications, which shall include the following: responses to the above twenty-eight (28) topics, not to exceed 54 pages (the 54 pages does not include table of contents) plus appendices. The responses to the question should be a single document and each appendix shall be its own document. In lieu of a cover letter, please fill out and submit the ESCO Data sheet, Attachment 1 to this advertisement.

All documents must be searchable, bookmarked PDF files. Each file shall be labeled in the following manner: Company name – submittal part. The submittal parts are Company Data Sheet, RFQ Criteria Response, and Appendix 1, Appendix 2, etc.

Only electronic submittals will be accepted. Electronic submittals must be uploaded and received no later than **March 6, 2023, by 2:00 pm**. Instructions for uploading is Attachment 3.

Anticipated dates for interviews are the weeks of **April 17, 2023**, and **April 24, 2023**. All interviews will be scheduled via Teams. DES will notify ESCOs of interview status by April 10, 2023.

QUESTIONS

Regarding this project should be directed to:

Kirsten G. Wilson, PE, Panel Chair, 509.370.0216 or kirsten.wilson@des.wa.gov.

Regarding the inclusion plan requirements should be directed to:

Charles Wilson, Public Works Diversity Program Manager, 360.407.8455 or Charles.wilson@des.wa.gov

Regarding the project selection submission process should be directed to:

Kendra Cornejo, Program Management Analyst, 360-552-5816 or kendra.cornejo@des.wa.gov.