REQUEST FOR PROPOSALS FOR SOLAR PHOTOVOLTAIC PROJECTS

Issued by: The City of San Rafael

With support from: Sustainable Energy and Economic Development Fund and the California Solar Initiative

September 12, 2013

Responses due by: 3:00 p.m. on October 29, 2013

To: Rebecca Woodbury
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PROJECT INFORMATION

1. PROJECT BACKGROUND AND INSTRUCTIONS

The mission of the Sustainable Energy and Economic Development Fund (SEED Fund) is to pursue regional sustainability projects, such as distributed renewable energy installations and energy efficiency improvements that create new economic activity while improving the regional environment. The primary focus of the SEED Fund program is on aggregating renewable energy and energy efficiency projects for municipalities, schools and public agencies to help reduce total energy costs while creating measurable environmental benefits. The SEED Fund also provides resources and training for stakeholders and decision-makers to build understanding, internal capabilities and engagement in sustainability issues across the community.

The SEED Fund Solar Photovoltaic (PV) Project represents a coalition of public entities in Marin, Sonoma and Napa Counties that formed to pursue strategies for cost-effectively reducing greenhouse gas emissions from municipal operations. The Participating agencies ("Participants") understand that photovoltaic (PV) installations can lower facility reliance on utility-generated electricity and reduce the carbon footprint of their operations, while providing environmental leadership for the community. The primary purpose of this Request for Proposals ("RFP") is to identify qualified providers/developers of solar installations to support Participants in identifying and developing desirable, cost-effective renewable energy projects at municipal facilities.

This RFP is issued by the City of San Rafael (hereinafter "the City") on its own behalf and on the behalf of 12 other participating agencies in three counties as listed below:

County of Marin

- City of San Rafael
- City of Mill Valley
- City of Novato
- Marin Healthcare District
- Marinwood Community Services District
- Southern Marin Fire Protection District

County of Sonoma

- City of Cotati
- County of Sonoma
- Sonoma County Employees' Retirement Association
- Sonoma County Water Agency

County of Napa

- City of St. Helena
- Napa County Office of Education
- Town of Yountville

The scope of this RFP is to identify qualified providers of solar power for municipal facilities via on-site generation of solar PV systems ("Systems"). To provide best value to each agency, various financing options are sought so that Participants can select from appropriate choices including, but not limited to, direct purchase, power purchase agreement, and other cost-effective options.

The cumulative potential capacity for solar generation across the 32 sites (detailed in Attachment A) in this RFP has been estimated to be 6.68 MW by independent energy consultants. These sites have undergone feasibility assessments (see Attachment B), and have been grouped into (3) "bundles" for purposes of streamlining response preparation and optimizing efficiencies of the proposed projects. Sites located in Marin County comprise one bundle, while sites in Sonoma and Napa Counties make up a second bundle. The third bundle is a Bid Alternate list of sites in Marin County for possible development of Feed-In Tariff solar projects. All sites in the Marin and Sonoma/Napa bundles must be included in proposals for those bundles. Sites in the Bid Alternate bundle will be evaluated on a site-by-site basis, and Proposers need not propose on all sites in that bundle. Proposers may provide proposals and qualifications for one, two, or all bundles and will be evaluated based on their qualifications and pricing for each bundle individually and collectively.

The City seeks proposals from qualified Proposers for the design, procurement of materials, installation, and all associated documentation, financing, maintenance and warranties of Solar PV Systems to be located at 32 municipal facilities located within the boundaries of the Participants' jurisdictions. It is anticipated that the Systems within the scope of this project may be purchased outright by Participating Agencies or may be financed, owned, and operated by the project developer ("Proposer") under a Power Purchase Agreement (PPA). In relation to this RFP, the term "Proposer" shall refer to all organizational members of the respondent team that will, through combined efforts and abilities, perform all aspects of solar site development.

The 32 sites are divided into three separate bundles:

| 1. Marin County | 14 Sites | 2,311 kW |
|------------------------|----------|----------|
| 2 Sonoma/Napa Counties | 15 Sites | 2,036 kW |
| 3. Bid Alternates | 3 Sites | 2,334 kW |

A full list of all sites along with key site data has been summarized and organized in Attachment A – Site Summary and Bundling Spreadsheet. Site assessments were performed by independent consultants under the SEED Fund program, and site details, including historical energy usage data, are included in Attachment B. The City and all Participants have strived to ensure that documents and information included in the RFP are accurate and complete, but errors and omissions may have occurred. The City and Participants make no representations with respect to the sites, including their suitability. Proposers take full and sole responsibility for conducting any necessary due diligence in assessing the sites and their conditions in order to develop proposals.

As noted above, Proposers may submit proposals for one, two, or all three bundles. When developing proposals for each bundle, the Proposer must address solar PV installations at all sites within each bundle. For example, any Proposer electing to submit a proposal for the Marin bundle must propose solar PV installations at all 14 sites within that bundle. Also as noted above, the exception to this requirement is the Bid Alternate bundle, for which individual sites may be proposed, and which will each be evaluated individually. For each proposed bundle, Proposers must provide two types of pricing proposals for each site: 1) Direct Purchase, with Participant ownership of PV systems; and 2) Financed Installation, via Power Purchase Agreement, that would result in minimal to no cash outlay from Participant(s). The pricing proposals must be submitted using the form(s) provided in Attachment D, which includes input cells for both direct purchase and Power Purchase Agreements and must include individual site pricing, and which may include an optional bundle discount. The bundle discount is intended to apply to all sites that proceed with contracting within the proposed bundle(s). Proposers should anticipate +/- 20% movement in solar capacity within bundles; greater movement away from bundles may understandably decrease the discount percentage, while additional capacity may be expected to increase the applicable discount. For each financing mechanism, proposals must include the construction of PV systems at all designated sites in the applicable bundle, though the City and each Participant individually maintains the right to remove or replace some or all sites from consideration.

<u>Technical requirements</u>: Proposers must comply with all technical requirements as specified in Attachment C and are expected to utilize industry best practices in responding to this RFP and in performing their responsibilities under a contract with the City or other Participants. Proposed pricing must reflect conformance with all technical requirements in Attachment C, and must also address foreseeable construction issues, including those identified in Attachment B and in optional site walks. Proposers will be required to acquire Building Permits and, where applicable, local business licenses, before starting construction.

Contracting and Bonding requirements: The City's General Contracting Conditions have been included in this RFP in Attachment F. Also included in Attachment F are general terms and conditions for Participants who submitted additional documentation. For Participants without individual terms and conditions, Proposers shall assume high similarity with the City's General Contracting Conditions, though significant variations may exist. Unless stated otherwise in Attachment F, Proposers shall assume that all Participants will require Payment and Performance Bonds during construction. Key PPA terms have also been identified and included in Attachment F. These terms are expected to be acceptable to all Participants, but specific objections to these terms may be considered and negotiated at the discretion of individual Participants.

<u>Insurance requirements</u>: The City and each Participant may have different insurance requirements, and Proposers must comply with the unique requirements applicable in each jurisdiction. Attachment F provides the City's requirements and links to insurance requirements for Participants (when substantially different from the City's requirements).

<u>Pricing and assumptions</u>: In addition to requirements as specified in this RFP and Attachments, Proposers should use the following assumptions when providing pricing and project cash flow analysis:

- 1. Utility escalations rates set at 4%
- 2. Electricity rate schedules may be changed for optimal savings, but only if a facility is eligible for recommended change
- 3. Assume construction start date of June 2014 for pricing calculations
- 4. Assume no California Solar Initiative (CSI) rebates
- 5. Pricing must include complete design and construction of the proposed systems, with maintenance included in PPA pricing, and as a separate line item for direct purchase proposals. Design shall include all aspects, including, but not limited to, structural investigation, electrical modification, and aesthetics of proposed systems.

<u>Contract Negotiations</u>: It is expected that the City, each Participant and Proposer(s) will begin with a common process for negotiating final terms and conditions of any contracts resulting from this procurement. First, Proposers shall enter preliminary negotiations with the City, its agents, and representatives of Participant agencies to develop template contracts and terms that are acceptable or nearly acceptable for all Participants. If awarded, the second step is final negotiations that will be completed between each individual Participant and the awarded Proposers so that they can directly enter into final agreements. The process is intended to support a more effective overall process for both the Proposer and Participants while maintaining flexibility for specific conditions and circumstances at individual jurisdictions.

Proposers submitting responses to this RFP do so with the understanding that the City and each Participant do not guarantee the award of any contract or work. The City and each Participant reserve the right, in their sole and absolute discretion, to abolish, refresh, amend, or extend the scope or limitations of this Project.

Local Workforce: Participants are interested in providing benefit to the local economy through clean energy job creation. Proposers should describe their approach to maximizing local hiring, including how the process would be managed and prior experience with local hiring. Specific requirements, where applicable, must also be followed as described in Attachment F.

2. RFP PROCESS AND INFORMATION

The RFP documents, including addenda, will be posted on the City of San Rafael website, www.cityofsanrafael.org. To request information or be notified of any addenda, please contact Rebecca Woodbury at the City of San Rafael via e-mail only at Rebecca.Woodbury@cityofsanrafael.org. Please include in your request Company Name, Contact Person, Mailing Address, valid e-mail address, and telephone number.

<u>Enabling Legislation:</u> Per California Government Code Section 4217.12 and related sections, public entities have the statutory authority to seek and deliver energy-related projects using a selection process defined by the individual public entity. This Request For Proposals is issued by the City of San Rafael utilizing this enabling legislation. Any Proposer who wishes to be considered for a contract with the City and other Participants must submit the required information per this RFP and conform to the process described herein.

<u>Timeline</u>: Following is the RFP selection process timetable, subject to change at the City's and Participants' sole discretion:

09/12/13: Request for Proposals issued

09/24/13: Deadline for Proposer Requests for Site Walks

09/26/13: First Addendum Issued

Week of 09/30/13: Site walks, as requested and as available 10/14/13: Deadline for Proposer Submittal of Questions

10/21/13: Final Addendum Issued

10/29/13: Deadline for Submittal of Proposals

11/12/13: Vendor Interviews

11/26/13: Select firms for negotiation

December 2013 Start Contract Negotiations

January - March 2014: Contracts Presented for Approval

<u>RFP Due Date</u>: The City of San Rafael shall receive, no later than 3:00 p.m. on 10/29/2013 a sealed envelope or box with one (1) original signed paper copy and one (1) electronic CD/DVD/flash drive copy of the completed submittal documents as defined below. Hard copies shall be loose-leaf or compiled in a three-ring binder, with tabs between sections as called out in Section 3 of this RFP. When practical, please print double-sided and use recycled paper. Hard copy and digital copies shall be identical to each other. All materials shall be submitted to Rebecca Woodbury, Room 203, City Manager's Office, 1400 Fifth Ave, San Rafael, CA 94901. Where noted, all responses shall utilize forms provided in this RFP.

Requests for Information: Proposers may submit requests for information regarding this RFP and requests for specific site walks, only via e-mail to Rebecca.Woodbury@cityofsanrafael.org, up to 5:00 p.m. on 9/24/2013 for site walk requests, and 5:00 p.m. on 10/14/2013 for all other information requests. All questions and Requests for Information will be addressed, and responses will be issued via Addenda. All Addenda will be posted to the City of San Rafael's website. All parties interested in receiving email the website should notification of new postings to email contact information Rebecca.Woodbury@cityofsanrafael.org. Any attempt by a Proposer to contact any other City or Participant staff member in regards to this RFP may result in disqualification of the Proposer.

<u>Proposal Interviews</u>: Between November 12 and November 15, 2013 the Selection Committee may conduct individual interviews with selected Proposers. Those Proposers will comprise a Short-list of preferred vendors, and will be notified of the time and exact location in advance of the interview. The Selection Committee shall be composed of City staff, SEED Fund team members, and representative staff from multiple Participant agencies. This Committee will evaluate all proposals, and members of the Committee will conduct proposal interviews.

The purpose of this interview is to confirm information provided in proposals submitted by the Proposers, and to allow Proposers to respond to Selection Committee questions and to provide clarifications and expand on the information provided in their proposals. Each Proposer shall have their proposed key personnel assigned to the project present as the primary representatives during this process. Presentation materials shall typically include Electronic Media (PowerPoint) and supporting materials.

Upon completion of interviews and proposal evaluations, contract negotiations with the City, its agents, and representatives of Participant agencies, as described in the Contracting part of Section 1 of this RFP, may begin. If the selected Proposer(s) are unable to effectively execute contracts with the Participants of the proposed bundle, other Proposers may be contacted in an effort to develop the proposed projects.

Award: Any contract(s) for this Project will be awarded to the qualified Proposer(s) able to effectively negotiate terms for the project(s) that provide the "best value" to the City and Participants as determined solely by City and its agents, and by each Participant and its agents. The Selection Committee, on behalf of the City and represented Participants, reserves the right to reject any or all proposals or any part of an **individual** proposal; to waive any irregularity in any proposal and to determine which, in its sole judgment, best meets the goals of this RFP.

Confidentiality: The City and Participants are public agencies subject to the disclosure requirements of the California Public Records Act ("CPRA"). If proprietary information is contained in documents or information submitted to the City, and Proposer claims that such information falls within one or more CPRA exemptions. Proposer must clearly mark such information "Confidential and Proprietary", and identify the specific lines containing the information. In the event of a request for such information, the City and/or Participants, as applicable, will make best efforts to provide notice to Proposer prior to such disclosure. If Proposer contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it shall be required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in the applicable County before City or Participant's deadline for responding to the request. If Proposer fails to obtain such remedy within City or Participant's deadline for responding to the CPRA request, then City and/or Participant may disclose the requested information. Proposer further agrees that it shall defend. indemnify and hold City and all Participants harmless against any claim, action or litigation(including but not limited to all judgments, costs, fees, and attorneys' fees) that may result from denial by City or Participants of a CPRA request for information arising from any representation, or any action (or inaction) by the Proposer. The City and Participants reserve the right to delay production of information which would reveal the number of proposals submitted or the identities of the Proposers, as well as copies of all proposal documents, until after negotiations are completed.

Prevailing Wage Requirements and Other Requirements: Proposers are notified and informed that they will be subject to and must comply with all of the requirements under the California Labor Code to pay the general prevailing rate of per diem wages and for holiday and overtime work to all workers engaged in the performance of any work under the proposed contracts. Copies of prevailing rates of per diem wages are available from the Department of Industrial Relations, State of California. Proposer and any subcontractors shall comply with all federal, state and local laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, local building codes, utility interconnection regulations, the Americans with Disabilities Act, and any copyright, patent or trademark law. Proposer's Failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

The RFP specifications, terms, conditions, Attachments, and Addenda, and Proposer's proposal may all be incorporated into and made a part of any contract that may be awarded as a result of this RFP.

3. **SUBMITTAL REQUIREMENTS**

Each Proposer must conform with and be responsive to the submittals required by the City and Participants. Any deviation from the standard application forms (where applicable) or failure to provide the required information will be considered non-responsive and grounds for rejection of the proposal. The Selection Committee, on behalf of the City of San Rafael and represented Participants, may reject any or all proposals or any part of an individual proposal, or waive any irregularities in any responses received, at its sole discretion. Submittals for past projects with the City are not applicable.

Format for proposal submittals must follow the format as shown below:

Section 1. Executive Summary, to include: high-level description of the project management approach, proposed PV systems, financing methods, professional background of company and project team, and description of relevant experience with equivalent projects.

Section 2. Preliminary system designs, to adhere to design specifications in Attachment C, and to include:

- Site overview with module layout, including proposed azimuth and tilt
- Preliminary Single-line electrical diagram
- Product spec sheets for proposed racking, modules, inverters, and monitoring.
- Product warranty information for proposed racking, modules, and inverter.

Section 3. Cost proposal for power purchase agreements and direct purchase of Systems, including 20-year inverter warranties and payment of Prevailing Wages, which must be submitted on form included as Attachment D. Pricing for 20-year Operations and Maintenance shall be included as a separate line item, which will be evaluated separately from the direct purchase price. Pricing must include all aspects of providing a turn-key PV system and must address the requirements in Attachment C and foreseeable contracting and site conditions, including, but not limited to, those identified in Attachments B, F, and G, site walks, and RFP Addenda. Pricing for PPA proposals must also include a SEED Fund reimbursement payment equal to 1.9% of proposed purchase price for each site. This reimbursement payment is explained in Attachment E and in Section 14 below, and must be made available to Participants upon approval of the PPA. Pricing for direct purchase should NOT include this reimbursement. Attachment D also requires the input and submittal of proposed system components and projected solar generation, which must match production detailed in submitted CSI EPBB calculator models, as described in Section 5 below.

Section 4. If applicable, alternative financing option(s) beyond PPA and direct purchase. Describe terms and conditions, and indicate costs and benefits to Participants of proceeding with alternative financing. If not applicable, submit proposal page stating "Not Applicable".

Section 5. First-year system production estimates, as demonstrated and detailed by CSI EPBB calculator outputs (available online at http://www.csi-epbb.com/default.aspx). Production estimates shall accurately reflect location and proposed system specifications (components, azimuth, tilt, under-module clearance, etc.), and shall be performed and submitted for each site in the bundle(s) being proposed.

Production estimates detailed in these calculator outputs must match and be used for completing Attachment D, as noted in Section 3 above.

- **Section 6.** Financial analysis of impact of proposed PV development on current facility electricity bills and/or cash flows for all sites in the bundle, and for all proposed financing methods. See Attachment B for historical energy usage information. See Pricing and Assumptions part of Section 1 of this RFP for additional information for developing pro forma financial analyses.
- **Section 7.** If applicable, alternative energy solutions other than, or in addition to, systems complying with specifications of Attachment C. If not applicable, submit proposal page stating "Not Applicable".
- **Section 8.** Proposed schedule of construction, assuming Notice to Proceed issuance on June 1, 2014. If included as a Gantt chart, the schedule must also be submitted electronically as a PDF file.
- **Section 9.** Description of plan for complying with local hiring policies and preferences, as detailed in Attachment F (as applicable and available). As noted in Local Workforce part of Section 1 of this RFP, all Participants, including those without explicit local hiring policies, seek to increase local impact of municipal solar projects by maximizing the use of local workforce.
- **Section 10.** Description of relevant project experience for organizational team members and key personnel, during their time at the current firm. Description of the Development Team structure, including member firm addresses, contacts, and roles in the proposed project.
- **Section 11.** Minimum of five (5) references for successfully completed projects of similar size and scope. Note that City of San Rafael or its agents will contact some or all of the provided references.
- **Section 12.** Proof of valid and current Contractors license. Only Proposers with a California B, C-10 and/or C-46 Contractors license and who have been approved through this process will be eligible to contract for the Project.
- **Section 13.** Installer safety record; claims history and judgments; and worker's compensation experience modification rating from the past 3 years, and safety plan for this project.
- **Section 14.** Signed reimbursement acknowledgment form for PPA contracts (Attachment E). Insert additional sheets for listing exceptions or comments to Reimbursement Acknowledgement Form (Attachment E) and Key Contract Terms and Conditions (Attachment F).
- **Section 15.** Template PPA contract and all related contracts and attachments.
- **Section 16.** Completed Attachment H, Response checklist.
- **Section 17.** Additional supporting documents and financial information. Documents inserted here shall include: indications of financial strength of Proposer and partner firms; indications of strength of proposed component manufacturers; explanations of judgments and pending lawsuits against the Proposer and partner firms; and any other documentation needed to clarify or augment the proposal.

<u>Cost of Proposal Development:</u> City and Participants shall not bear any financial responsibility for costs incurred by the Proposer in responding to this RFP or any subsequent proposal, whether or not the Proposer's proposal is successful, including the costs for bonding, legal costs for any reason, visitation costs, reproduction, postage/mailing and other related costs.

4. **EVALUATION OF SUBMITTALS**

Requirements for Qualifications: The RFP evaluation is solely for the purpose of determining which contractors are deemed responsible, qualified, and able to offer the best value to participants. Qualifications of applicants will be reviewed and determined by the City, Participants, and their representatives based upon the submitted documents and any other information available to them. Applicants may be asked to submit additional information pertinent to the Projects, or to be present for an interview. The City of San Rafael and Participants also reserve the right to investigate and rely upon information from other available sources in addition to any documents or information submitted by the Proposer.

The Selection Committee, on behalf of the City of San Rafael and represented Participants, retains the sole discretion to determine issues of compliance and to determine whether a Proposer is responsive and responsible. The City of San Rafael and represented Participants will determine a Proposer's quality, fitness and capacity to perform projects satisfactorily. Each submittal will be judged as a demonstration of the Proposer's capabilities of delivering the services requested with high quality and low total lifetime costs. Evaluation of the responses will be based on a competitive selection process, in which the evaluation of proposals will not be limited to price alone. The Selection Committee's decision will be based on the evaluation of several factors including but not limited to the following:

Proposer Qualifications & Experience (20 points)

- Strength of qualifications and experience of partner firms and key personnel
- Strength of project references in regards to customer satisfaction, completion of projects equivalent to those included in this RFP, and success in maintaining project budgets and schedules
- Financial stability and proof of funding for these projects with proven financing track record

Technical Proposal (20 points)

- Projected energy production is realistic and appropriate for each facility
- Preliminary system design is appropriate for site needs and accounts for site conditions
- Module, inverter, racking, and monitoring components are high-quality, available, and have strong track record and warranty coverage, with stable and financially strong manufacturers

Project Costs (40 points)

- PPA levelized cost of energy over 20-year contract life
- Direct Purchase cost
- Operations & Maintenance costs over first 20 years of system life
- Financial analysis of total system costs and benefits, including possible rate schedule changes

Implementation Plan and Schedule (15 points)

- Project schedule is realistic and accounts for concurrent construction on multiple projects
- Proposal is complete and addresses requirements and preferences stated in the RFP, addresses local workforce preferences, and demonstrates experience working with public agencies

Contract Terms & Conditions (5 points)

Ability to work with posted PPA and Participant Terms and Conditions

The Selection Committee will develop preliminary scores, which will then be augmented for Short-list Proposers during or after Proposer interviews. The Proposer with the highest consensus score for each bundle will enter into contract negotiations with the City, its agents, and representative members of Participant agencies.

Proposers are urged to review evaluation factors listed above and tailor the response in order to provide clarity in all areas including, but not limited to, financial options and cash flow analysis, technical design, projected system production, warranties, performance guarantees, and company experience.

5. TERMS AND CONDITIONS

If there are any conflicts between the terms and conditions of the RFP and any applicable federal or local law or regulation, or any ambiguity related thereto, then the provisions of the applicable law or regulation shall control and it shall be the responsibility of the Proposer to ensure compliance.

SEED Fund reimbursement: the City, Participants and SEED Fund have spent significant time, effort and cost to evaluate solar potential on their facilities and pursue the development of solar projects with successful Proposers under a revolving fund grant. Further, the stated purpose of the SEED Fund is to enable ongoing development of renewable energy and energy efficiency projects across the region. Therefore, with contracts in place, the Participants will be reimbursing the SEED Fund at the rate of 1.9% of the total project value in current dollars. Successful Proposers are requested to build this cost into their proposals and reimburse Participating agencies once construction has begun. By signing Attachment E, Proposers acknowledge that they have seen and understood this request.

<u>Public Appropriations</u>: All participants are public agencies and, as such, are subject to annual review and approval of expenditures and appropriation of funds for capital projects and operational expenses including, but not limited to, new construction, facilities, staffing, energy, and operations. While it is not the intent of any Participant to withhold payments or terminate operations, this may occur due to unforeseen events. Therefore Proposer PPAs must include appropriate terms and conditions to accommodate the potential for this to occur, as required by public law.

Additional contract terms and conditions are provided in Attachment F that must be reviewed by Proposers and addressed in their proposals.