

# PACKET MATERIALS

DATE October 16, 2009

Item No. 3

## LOCAL AGENCY FORMATION COMMISSION AGENDA PACKET CONTENTS LIST \*

- Memo from Nancy Miller, Interim Executive Officer
- LAFCo Resolution No. 2009-06
- October RFP Draft Brief, CleanPowerSF
- Draft RFP, Electricity Supply Services for CCA Program
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Exceeds 20 pages; see file to review  
Available for review at City Hall, Room 244

Completed by: Alisa Somera

Date: October 13, 2009

\* This list reflects the explanatory documents provided.

# San Francisco Local Agency Formation Commission

City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. 415.554.5184  
Fax. 415.554.5163

TO: San Francisco Local Agency Formation Commission

FROM: Nancy Miller, Interim Executive Officer

DATE: October 16, 2009

SUBJECT: Item #3: Approve Resolution Recommending the Board of Supervisors Approve the Request for Proposals (RFP) for Community Choice Aggregation (CCA) Services for the San Francisco CCA Program, Commonly Known as CleanPowerSF and Authorize the General Manager of SFPUC to Issue an RFP (Discussion and Action Item)

Staff recommends that the LAFCo approve the Resolution recommending the Board of Supervisors approve the Draft RFP for the CleanPower SF Program and authorize the General Manager of the SFPUC, in consultation with the Executive Officer of LAFCo, to issue an RFP.

## **Background:**

On September 25, 2009, at the Joint Meeting of the SFPUC and the LAFCo, SFPUC and LAFCo directed their respective staffs to work together to expeditiously finalize an RFP seeking suppliers to implement the CleanPowerSF program for San Francisco.

An initial Draft RFP was presented to the SFPUC and LAFCo at the September 25, 2009 joint meeting and after review the SFPUC and LAFCo directed that:

- the RFP provide some flexibility to encourage a robust response yet clearly identify all CCA program goals;
- the RFP state a strong preference that all proposers meet all program goals; and
- the RFP ensure that any qualified proposals that meet all CCA program goals will receive more points than proposals that do not meet all CCA program goals.

The intent of adding some flexibility in the RFP is to generate a more robust response to the RFP.

Staff has been working since that time reviewing, commenting and revising the Draft RFP terms with PUC staff. LAFCo staff and LAFCo consultants, Navigant and Local Power, have provided comments to the PUC on the Draft RFP.

Staff believes that the intent of all the comments were incorporated into the Draft RFP, except where it was determined by the City Attorney that suggested language should not be used or the language did not meet the intent of the RFP. While there are some differences in language preferences between our consultants and the PUC, there is agreement on the substantive issues.

Two areas were more difficult to draft, namely scoring and minimum qualifications. The RFP scoring and minimum qualifications were drafted to ensure that the RFP terms are written to provide some flexibility to allow for a robust response while keeping the initial goals of the program intact. The Draft RFP in your packet represents the revised RFP after reviewing and incorporating comments from all commenters.

The Draft RFP will be presented publicly at the Energy Stewards meeting on October 14, 2009 to allow for public input and additional public comment. We may have additional changes due to comments received at that meeting.

The PUC staff and LAFCo staff and their consultants have been cooperatively drafting the RFP consistent with the direction provided by the PUC and the LAFCo. SFPUC staff will present a memorandum outlining the issues revised in the RFP.

Board of Supervisors Ordinance No. 146-07, implementing the Clean Power SF program, provides that the LAFCo consider and make recommendations to the PUC and Board of Supervisors regarding the RFP.

LAFCo determined it reasonable to allow some flexibility in meeting the CCA RFP requirements and program criteria set forth in Ordinance Nos. 86-04 and 147-07, consistent with the direction provided by the PUC and LAFCo on September 25, 2009, in order to encourage robust responses and to facilitate a successful CCA program.

**Recommendation:**

Staff recommends LAFCo approve the Resolution recommending the Board of Supervisors approve the RFP and authorize the General Manager of the PUC, in consultation with the Executive Officer of the LAFCo, to issue an RFP for services to implement CleanPowerSF consistent with the Draft RFP presented to the LAFCo on October 16, 2009.

1 [LAFCo Resolution Recommending the Board of Supervisors Approve Issuance of an RFP for  
2 Clean Power SF.]

3  
4 **Resolution of the Local Agency Formation Commission of the City and County of San**  
5 **Francisco (LAFCo) recommending the Board of Supervisors approve the Request for**  
6 **Proposals for Community Choice Aggregation (CCA) Services for the San Francisco**  
7 **CCA program (RFP), commonly known as CleanPowerSF, and authorize the General**  
8 **Manager of the SFPUC to issue the RFP.**

9 WHEREAS, Ordinance No. 86-04 established a Community Choice Aggregation (CCA)  
10 program, pursuant to Public Utilities Code Sections 218.3, 331.1, 366, 366.2, 381.1, 394, and  
11 394.25, finding that CCA provides a means by which the City may help ensure the provision of  
12 clean, reasonably priced, and reliable electricity to San Francisco customers. Ordinance No.  
13 86-04 further found that a CCA program could provide a means for the City to increase the  
14 scale and cost-effectiveness of conservation, energy-efficiency and renewable energy in San  
15 Francisco and directed City departments to investigate the use of bonds issued under Section  
16 9.107.8 of the Charter to augment CCA. Ordinance No. 86-04 also stated that the Board of  
17 Supervisors would review and approve a Draft Request for Proposals (RFP) for a CCA  
18 program and established certain requirements for the RFP; and

19 WHEREAS, Ordinance No. 147-07 set forth requirements for the CCA program based  
20 on a June 6, 2007 Program Description and Revenue Bond Action Plan and Draft  
21 Implementation Plan (Draft IP). The ordinance states that "The Board of Supervisors expects  
22 to consider modifications to the Draft IP as the development of the CCA program progresses.  
23 In particular, the Board of Supervisors expects that the City will gain additional material  
24 information regarding the suppliers, costs, and financing mechanisms, among other things,  
25

1 from the Request for Information (RFI) that will be issued following adoption of this ordinance  
2 as well as from other work performed in connection with the CCA Program" (Page 7, Lines  
3 11-16); and

4 WHEREAS, As required by Ordinance No. 147-07, the Public Utilities Commission  
5 (PUC) issued an RFI from potential suppliers in November 2007. The PUC and LAFCo  
6 issued a joint Request for Proposals to retain consultants to assist in the implementation of  
7 the CleanPower SF program. In April 2009, the PUC issued a Request for Qualifications  
8 (RFQ) from potential suppliers; and

9 WHEREAS, At a joint meeting on September 25, 2009, the PUC and LAFCo  
10 considered documents submitted by their respective staffs related to issuance of an RFP; and

11 WHEREAS, The PUC and LAFCo directed their respective staffs to work together to  
12 expeditiously finalize an RFP seeking suppliers to implement a CCA program for San  
13 Francisco ; and

14 WHEREAS, The PUC and LAFCo directed that the RFP clearly identify all CCA  
15 program goals, state a strong preference that all proposers meet all program goals, and  
16 ensure that any qualified proposals that meet all CCA program goals will receive more points  
17 than proposals that do not meet all CCA program goals; and

18 WHEREAS, Ordinance No. 146-07 provides that the LAFCo consider and make  
19 recommendations to the PUC and Board of Supervisors regarding the RFP; now, therefore be  
20 it

21 RESOLVED, LAFCo recommends to the Board of Supervisors that it finds it is  
22 reasonable to allow some flexibility in meeting the CCA RFP requirements and program  
23 criteria set forth in Ordinance Nos. 86-04 and 147-07, consistent with the RFP provided to the  
24 LAFCo on October 16, 2009, and consistent with the direction provided by the PUC and  
25

1 LAFCo on September 25, 2009, in order to encourage robust responses and to facilitate a  
2 successful CCA program; and be it

3 FURTHER RESOLVED, LAFCo recommends the Board of Supervisors approve the  
4 RFP and authorize the General Manager of the PUC, in consultation with the Executive  
5 Officer of LAFCo, to issue an RFP for services to implement CleanPower SF consistent with  
6 the Draft RFP presented to LAFCo on October 16, 2009.

7  
8 On a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing  
9 Resolution was passed and adopted by the SAN FRANCISCO LOCAL AGENCY  
10 FORMATION COMMISSION, State of California, this \_\_\_ day of \_\_\_\_\_, 2009, by the  
11 following vote, to wit:

11 AYES:  
12 NOES:  
13 ABSTAIN:  
14 ABSENT:

15  
16 \_\_\_\_\_  
17 Ross Mirkarimi, Chairperson  
18 SAN FRANCISCO LOCAL AGENCY  
19 FORMATION COMMISSION

20 ATTEST:

21 \_\_\_\_\_  
22 Nancy Miller  
23 Interim Executive Officer  
24  
25

*SFPUC and LAFCo Guidance: Flexibility in Evaluating RFP*

---

**At a joint meeting on September 25<sup>th</sup>, SFPUC and LAFCO provided guidance: state City's CCA objectives as targets as opposed to absolute minimum requirements but clarify that responses that achieve City goals shall earn highest ratings.**

- RFP should emphasize City's goals for amounts of resource by fuel source and in-city siting objectives (Solar, Distributed Generation, and Energy Efficiency/Demand Response programs);
- RFP should emphasize renewable energy portfolio goals:
  - 51% of portfolio meets Renewable Portfolio Standards (RPS) by 2017; and
  - 40% of energy needs met from combination of RPS-compliant, local renewable, demand side, and distributed generation sources by 2012.
- RFP should ask respondents to provide all requested services, but note that bids that only propose a portion of services will not be eliminated from evaluation;
- Rates to be competitive with PG&E.

**SFPUC and LAFCo Staff and Consultants have worked collaboratively to develop RFP that has strong emphasis on City's goals.**

- Credible proposals adhering to resource mix specified by RFP would score highest; however proposals unable to deliver City's specified resource mix would not be disqualified.
- Credible proposals with the highest renewable portfolio will receive highest scores.
- Contract term of five years or more requested, longer term contracts preferred. Proposers may bid phased contract terms that detail how to achieve City's long-term objectives.
- Proposals that achieve in-city resource targets will be preferred.
- No credible proposal that meets all targets shall score less than a proposal that only meets a portion of targets.

*Minimum Qualifications*

---

Responses that fail to meet the following minimum requirements will not be scored:

- Must meet California Renewables Portfolio Standard (20% RPS in 2010, 33% in 2020);
- Three years of experience with projects or transactions similar to proposed tasks;
- Completion of at least two projects or transactions similar to the proposed task(s);
- Minimum of three related references with sufficient contact information; and
- Credit rating of at least Baa2/BBB or a guarantee from an organization with such credit rating within the prior two years.

*Weighting*

---

- Written Proposal: 90%
- Oral Interview & Proposal Follow-Up 10%

*Point Breakdown for Evaluation of Written Proposals Emphasizes Renewables and Price*

---

- Development of Preferred Resources: 34 points
- Competitiveness of Rates: 21 points
- Quality and Feasibility of Proposal: 18 points
- Qualifications: 17 points
- Total: 90 points

*RFP Draft*

---

Current Working Draft of RFP can be found using the link below:

[http://sfwater.org/detail.cfm/MC\\_ID/17/MSC\\_ID/422/MTO\\_ID/736/C\\_ID/4765](http://sfwater.org/detail.cfm/MC_ID/17/MSC_ID/422/MTO_ID/736/C_ID/4765)



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

I. Power Enterprise

# Request for Proposals

AGREEMENT No. CS-**XXX**

ELECTRICITY SUPPLY SERVICES FOR  
COMMUNITY CHOICE AGGREGATION PROGRAM

OCTOBER 27, 2009 [**TARGET  
DATE**]

CONTRACT ADMINISTRATION BUREAU  
SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
1155 MARKET STREET, 9TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94103



**REQUEST FOR PROPOSALS**  
**CITY & COUNTY OF SAN FRANCISCO**  
**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Power Enterprise**  
**Community Choice Aggregation Program**

**Agreement No. CS - XXX**  
**Electricity Supply Services for**  
**Community Choice Aggregation Program**

**Table of Contents**

	<b><u>PAGE</u></b>
I. INTRODUCTION .....	<b>XX</b>
II. BACKGROUND .....	<b>XX</b>
III. SCOPE OF SERVICES .....	<b>XX</b>
IV. QUALIFICATIONS .....	<b>XX</b>
V. PROPOSAL .....	<b>XX</b>
VI. EVALUATION AND SELECTION CRITERIA .....	<b>XX</b>
VII. AWARD OF AN AGREEMENT .....	<b>XX</b>
VIII. TERMS AND CONDITIONS .....	<b>XX</b>
IX. HUMAN RIGHTS COMMISSION (HRC) REQUIREMENTS .....	<b>XX</b>
X. ADDITIONAL CITY REQUIREMENTS .....	<b>XX</b>
XI. PROTEST PROCEDURES .....	<b>XX</b>

**Appendices:**

- A. Professional Services Agreement (P500)
- B. Schedule of Estimated Number of Hours Per Task
- C. Human Rights Commission (HRC) Forms
  - Form 2A - HRC Contract Participation Form
  - Form 3 - HRC Non-Discrimination Affidavit
  - Form 4 - HRC Joint Venture Form (if applicable)

- Form 5 - HRC Employment Form
- D. Equal Benefits Ordinance (12B)
- Quick Reference Guide
  - HRC Form 12B-101 - San Francisco Administrative Code Chapters 12B & 12C Declaration: Non-Discrimination in Contracts and Benefits
- E. Business Registration Certificate Requirement
- F. Business Tax Declaration
- G. Insurance Requirements
- H. Release of Liability
- I. Minimum Compensation Ordinance (MCO) Declaration
- J. Health Care Accountability Ordinance (HCAO) Declaration

DRAFT

## **Acronyms and Abbreviations**

AB 117	Assembly Bill 117 (2002, Migden) – Establishes CCA in California
AGM	Assistant General Manager
CAISO	California Independent System Operator
CCA	Community Choice Aggregation
CEQA	California Environmental Quality Act
CHP	Combined Heat and Power
CoGen	Co-Generation
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
DG	Distributed Generation
DIP	Draft Implementation Plan
DR	Demand Response
EE	Energy Efficiency
EIC	Earned Income Credit
ESP	Energy Service Provider
FERC	Federal Regulatory Commission
HCAO	Health Care Accountability Ordinance
HRC	Human Rights Commission
IRS	Internal Revenue Service
JV	Joint Venture
kW	Kilowatt
kWh	Kilowatt-hour
LAFCo	San Francisco Local Agency Formation Commission
LAP	Load Aggregation Point
LBE	Local Business Enterprise
MCO	Minimum Compensation Ordinance
MPR	Market Price Referent (for Renewable Resources)
MW	Megawatt
MWh	Megawatt Hour
NEPA	National Environmental Policy Act

**Acronyms and Abbreviations – Continued**

NTP	Notice to Proceed
PPA	Power Purchase Agreement
PV	Photovoltaic
QA/QC	Quality Assurance/Quality Control
REC	Renewable Energy Credit
RAR	Resource Adequacy Requirement
RFC	Request for Clarification
RFI	Request for Information
RFP	Request for Proposals
ROW	Right-of-Way
RPS	Renewable Portfolio Standard
RWQCB	Regional Water Quality Control Board
SFPUC	San Francisco Public Utilities Commission
WBS	Work Breakdown Structure

## **I. INTRODUCTION**

### **1. Summary**

The San Francisco Public Utilities Commission (SFPUC), a department of the City, is excited to seek the services of a qualified Proposer to provide electricity supply services for the City's Community Choice Aggregation Program (CleanPowerSF). The selected Proposer would be at the forefront of San Francisco's innovative and ground breaking program to provide a reliable, cost-effective, renewable energy based electricity supply to the residents and businesses in the City.

The City seeks proposals for energy procurement, resource generation development, and customer and administrative services. In this Request for Proposals (RFP), the City seeks a single Proposer (which may include a joint venture or a partnership with one or more subcontractors) to provide the requested services.<sup>1</sup> Based on this RFP, the City may award a contract to a Proposer to provide all of the services described in this RFP, or only a portion of the described services. The City may also issue a follow-up RFP for any necessary services that are not addressed in a contract resulting from this RFP.

The Proposer may also be called upon to provide other related energy procurement and demand-side services during the term of the Contract. Such services could include customer information analysis, marketing, and other specialized services at the discretion of the SFPUC.

The City is committed to developing CleanPowerSF as an endeavor to increase reliance on renewable energy, and reduce the amount of pollution and greenhouse gasses (GHG) generated by the production of the electricity necessary to serve San Francisco's residents and businesses. To further that ambitious goal, the City's benchmarks for CleanPowerSF include targets for the percentage of electricity that is generated from renewable sources (as defined in State policy via the Renewables Portfolio Standards (RPS) criteria). Accordingly, Proposers are strongly encouraged to submit proposals that achieve the City's adopted goals of 51% renewable generation mix by 2017, and make significant progress towards that goal in the intermediate years. Proposer must describe how it will integrate renewable generating capacity and demand side resources included in the City's goal of developing 360 MW of new resources as a component of the requested service, including in-City photovoltaic (PV)<sup>2</sup> and distributed generation, 107 MW of demand side management through energy efficiency and demand response programs, and out-of-City wind (150 MW). Qualifying Proposals that comprehensively achieve the City's goals will receive more points in the written scoring phase of the review process than any proposal which does not comply with all program goals.

---

<sup>1</sup> The term Proposer shall refer to any legal entity(ies) submitting a proposal in response to this Request for Proposals (RFP).

<sup>2</sup> In-city photovoltaic MW may come from City-owned resources, new facilities developed by the Proposer, in addition to customers of CleanPowerSF that participate in net-metering.

Responsive Proposers responding to this RFP must have proven expertise and extensive experience in the program areas described in this RFP. The entirety of services and skills sought by the SFPUC for CleanPowerSF includes:

- *Experience providing full requirements' electric supply to a wide range of urban customers;*
- *Experience with long-term power purchase agreements (PPAs), medium and short term electricity purchases;*
- *Experience as a certified California Independent System Operator (CAISO) scheduling coordinator;*
- *Experience financing, developing, operating and maintaining commercial-scale renewable and distributed renewable (and combined heat and power) resources;*
- *Experience building, operating, and maintaining generation assets, with an emphasis on renewable generation facilities;*
- *Experience with federal and state regulatory frameworks and requirements for CCA and load serving entities within California;*
- *Experience with the provision of full requirements' electric supply including but not limited to, Resource Adequacy, Renewables Portfolio Standard (RPS) requirements, ancillary services obligations, and other applicable regulations;*
- *Experience providing demand side programs including energy efficiency and demand response;*
- *Experience managing call center facilities and customer accounts;*
- *Experience addressing the requirements of the California Environmental Quality Act; and*
- *Experience working on municipal projects that include local zoning and city ordinances.*

The SFPUC anticipates awarding to the selected Proposer(s) a contract of no less than five years with a strong preference for significantly longer term contracts.<sup>3</sup> Contracts that link implementation of renewable generation with a contract duration sufficient for repayment of capital financing instruments are preferred. The SFPUC anticipates that the total annual revenue from CleanPowerSF customers will be approximately \$350 million per year.

---

<sup>3</sup> Proposed contract terms less than five years shall be deemed responsive and shall be evaluated, but contracts of five years or longer are strongly preferred.

Additional information relating to the RFP may be posted on the SFPUC Contract Administration Bureau webpage (<http://contracts.sfwater.org>) as needed after issuance of the RFP. Proposers should therefore consult the SFPUC website regularly for these updates.

Furthermore, a variety of studies have been completed relating to CleanPowerSF. These reports can be found on websites of the SFPUC and the Local Agency Formation Commission (LAFCo).<sup>4</sup> The SFPUC site contains reports on the technical feasibility and economic potential of various generation technologies located in San Francisco, as well as a discussion of CCA programs in other states. The LAFCo site includes: Risk Assessment Report, Program Report, and Analysis of Issues Associated with Implementation. These reports could be helpful in preparing a response.

---

<sup>4</sup> SFPUC and LAFCo reports can be found at:

[http://sfwater.org/mto\\_main.cfm/MC\\_ID/17/MSC\\_ID/422/MTO\\_ID/736](http://sfwater.org/mto_main.cfm/MC_ID/17/MSC_ID/422/MTO_ID/736) and  
[http://www.sfgov.org/site/lafco\\_index.asp?id=92772](http://www.sfgov.org/site/lafco_index.asp?id=92772)

## 2. Tentative Schedule For RFP Process

The SFPUC has established the following schedule for this RFP process. The following dates are tentative, non-binding, and are subject to change without prior notice:

Advertisement of RFP .....	October 27, 2009
Pre-Submittal Conference <sup>5</sup> .....	November 10, 2009
Deadline for Proposers to Submit Questions .....	November 23, 2009
Deadline for Proposers to Submit Proposals .....	December 29, 2009
Short-Listing and Notification for Oral Interviews .....	January 29, 2010
Oral Interviews .....	February 16, 2010
Posting of Proposer Ranking .....	February 18, 2010
Proposer(s) May Provide Price Adjustment/Update .....	February 25, 2010
Public Utilities Commission Authorization to Execute Agreement .....	April 30, 2010
Deadline for Proposer to Achieve Vendor Compliance and Execute Agreement**.	May 14, 2010
Board of Supervisor’s Approval .....	May 25, 2010
Notice of Award of Agreement .....	May 31, 2010

\*\* Failure by the Proposer to obtain compliance with City requirements and execute an Agreement may result in the General Manager’s executing an Agreement with the next highest ranked Proposer.

## II. BACKGROUND

### 1. San Francisco Public Utilities Commission (SFPUC)

The SFPUC is a City department that provides retail drinking water and sewer services to San Francisco, wholesale water to three other Bay Area Counties, and hydroelectric power to San Francisco’s municipal operations. The SFPUC supplies drinking water to 2.4 million customers in the four Bay Area counties of Alameda, Santa Clara, San Mateo and San Francisco. Headquartered at 1155 Market Street in San Francisco, the SFPUC has approximately 2,000 employees with a combined annual operating budget of approximately \$400 million.

The mission of the SFPUC is to:

- *Serve San Francisco and its Bay Area customers with reliable, high quality, and affordable water, while maximizing benefits from power operations and responsibly managing the resources entrusted to its care;*

<sup>5</sup> Additional pre-submittal conferences may be scheduled depending on demand.



- *Protect public health, public safety and the environment by providing reliable and efficient collection, treatment and disposal of San Francisco’s wastewater;*
- *Conduct its business affairs in a manner that promotes efficiency, minimizes waste, and ensures rate payers confidence; and*
- *Promote diversity and the health, safety, and professional development of its employees.*

The SFPUC is comprised of three separate enterprises. The SFPUC Water Enterprise is responsible for managing the transmission, treatment, storage and distribution of potable water to San Francisco’s wholesale and retail customers. The SFPUC Wastewater Enterprise is responsible for managing the collection, treatment and disposal of San Francisco’s wastewater. The SFPUC Power Enterprise is responsible for managing retail power sales, transmission and power scheduling, energy efficiency programs, street lighting services, utilities planning for redevelopment projects, energy resource planning efforts and various other energy services.

## **2. Program Overview**

Pursuant to California State Assembly Bill 117 (Migden, 2002), the City and County of San Francisco (“the City” or “CCSF”) has established a Community Choice Aggregation program (CleanPowerSF) to provide electric power and a broad range of related benefits to the residents and businesses located within its jurisdiction. The City has adopted a document entitled Community Choice Aggregation Program Description, Revenue Bond Action Plan, and Draft Implementation Plan<sup>6</sup> (the “Draft Plan”) in order to guide the development of a CCA program consistent with state and municipal law.

The City’s stated mission for CleanPowerSF is for San Francisco residents and businesses to enjoy the option of a substantially cleaner, local, and economically more secure power system—with the intention of long-term reduction in power prices for San Francisco’s residents and businesses. The Draft Plan contemplates the potential use of municipally-issued revenue bonds as one possible way to finance development of renewable resources.

## **3. Summary of Applicable Laws for Clean Power SF**

CleanPowerSF is subject to the California law that established CCA as well as State regulations related to CCA and energy procurement. These regulations include those imposed by the CPUC regarding establishment of a CCA, as well as those from the CPUC, CEC, and CAISO related to meeting resource portfolio requirements. In addition, there are City ordinances and legislation that must be considered. A list of some of these laws and regulations is provided below. Proposers are responsible for making their own independent investigation of the laws that may be relevant to providing services described in this RFP and should not rely on these summaries in preparing their responses.

### *California Law*

---

<sup>6</sup> See San Francisco Ordinance 147-07: [http://sfwater.org/Files/Reports/CCA\\_Ordinance147-07.pdf](http://sfwater.org/Files/Reports/CCA_Ordinance147-07.pdf)

**AB 117(2002)** directed the California Public Utilities Commission (CPUC) to establish a set of rules governing the process through which cities, counties, consolidated governments and utility districts may aggregate energy procurement for electric customers within their jurisdiction.<sup>7</sup> Investor Owned utilities (IOUs) are required to continue providing distribution, metering and billing services to a ratepayer who receives electric generation service from a CCA.

**CPUC Regulations.** The CPUC adopted several regulations to implement AB 117 that affect how cities and counties implement CCAs.<sup>8</sup> They include the following:

- Investor Owned Utilities may charge CCA customers a Cost Responsibility Surcharge (CRS) to pay for certain IOU power procurement costs that would be unavoidable when an IOU customer switches to a CCA program.
- Proposed CCAs are entitled to billing and energy usage data from affected IOUs under a non-disclosure agreement.
- Proposed CCAs may also apply to administer energy efficiency funds from their share of the public goods charge paid by their participating customers.

**Renewable Portfolio Standard.** SB 1078 establishes a California Renewable Portfolio Standard (RPS) that requires delivery of specified amounts of renewable energy by specific dates. The California RPS requires the delivery of energy generated by certain qualifying renewable fuel sources specified by the California Energy Commission.<sup>9</sup>

This is a rapidly changing area of law and additional laws related to RPS and its applicability to CCAs are currently under consideration by the State legislature.

The California RPS also requires that renewable energy resources and the environmental attributes associated with the related energy production undergo registration with the Western Renewable Energy Generation Information System (WREGIS).<sup>10</sup> CleanPowerSF shall measure its achievement of renewable targets using RPS compliance rules that are applicable (i.e., RPS rules in 2012 shall be the basis for calculating CleanPowerSF's renewable portfolio mix in 2012).

**Customer Choice Provisions.** All PG&E and Direct Access electric customers within the City will be eligible to become CleanPowerSF customers. All eligible PG&E electric customers within the City will be automatically enrolled in CleanPowerSF and served by it except for those

---

<sup>7</sup> See Ordinance 86-04. <http://www.sfgov.org/site/uploadedfiles/bdsupvrs/ordinances04/o0086-04.pdf>

<sup>8</sup> For detailed regulatory information regarding the CPUC's implementation of AB 117 (Rulemaking 03-10-003, see Decision 04-12-046 ([http://sfwater.org/Files/Reports/D04-12-046\\_Ruling\\_CCAPhase1\\_20041221.pdf](http://sfwater.org/Files/Reports/D04-12-046_Ruling_CCAPhase1_20041221.pdf)) and Decision 05-12-041, ([http://sfwater.org/Files/Reports/D05-12-041\\_Ruling\\_CCAPhase2\\_20051216.pdf](http://sfwater.org/Files/Reports/D05-12-041_Ruling_CCAPhase2_20051216.pdf)))

<sup>9</sup> For additional information on resources that qualify for RPS, see:

<http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

<sup>10</sup> Western Renewable Energy Generation Information System, <http://www.wregis.org>

customers who affirmatively elect to “opt-out” of the Program and remain bundled service customers of PG&E. Customers will be offered at least four notifications to “opt out” of the program without penalty.

### *San Francisco Laws and Ordinances*

San Francisco established many of the specific requirements of Clean Power SF in the 2004 Ordinances 86-04, 146-07 and 147-07.<sup>11</sup> City law also establishes a goal of reducing greenhouse gas (GHG) emissions to 20% below 1990 levels by 2012<sup>12</sup>, which is more aggressive than the state law (AB 32) which requires the state to reduce GHG emission to 1990 levels by 2008.<sup>13</sup>

San Francisco voters approved Proposition H in 2001, authorizing the City’s Board of Supervisors to issue revenue bonds without further voter approval, for use in developing the City’s renewable energy capacity and energy conservation efforts.<sup>14</sup> Such bonds or other financing mechanisms may be available for financing construction of renewable generation projects required for CleanPowerSF.

## **4. Program Description**

### *Renewable Energy Goals*

San Francisco’s stated policy goals call for delivering RPS-compliant renewable energy to CleanPowerSF customers. Specifically, the City has a target of providing up to 40% of its energy from RPS-compliant, local renewable, demand side, and distributed generation sources by 2012. The City also has a target of providing 51% of its energy from renewables (as those resources are defined by State statute and RPS rules) by 2017. Preference will be given to proposals that include higher levels of renewable integration into the resource mix. Portfolios that incorporate higher levels of bundled renewable energy (including electric output as well as all environmental attributes associated therewith) will be given greater weight than renewable portfolios that rely on unbundled RECs (also referred to as “paper compliance.”) CleanPowerSF shall follow California State Laws and Regulations regarding the application of RECs to the portfolio RPS compliance. Current California State policy does not allow for the use of RECs to meet RPS.

### *Renewable Resource Development*

The City has the objective of developing 360 Megawatts (MW) of new local or regional renewable generating capacity and demand side resources.<sup>15</sup> The Draft Plan sets forth a target

---

<sup>11</sup> San Francisco Board of Supervisors Ordinance Number 86-07, [http://sfwater.org/Files/Reports/CCA\\_Ordinance86-04\\_Ammiano.pdf](http://sfwater.org/Files/Reports/CCA_Ordinance86-04_Ammiano.pdf)

<sup>12</sup> San Francisco Board of Supervisors Resolution Number 158-02, *Reducing Greenhouse Gas Emissions*, <http://sfgov.org/site/uploadedfiles/bdsupvrs/resolutions02/r0158-02.pdf>

<sup>13</sup> Assembly Bill 32 (2006), Global Warming Solutions Act, <http://www.arb.ca.gov/cc/docs/ab32text.pdf>

<sup>14</sup> Charter Section 9.107(8)

<sup>15</sup> San Francisco policy follows the State’s guidelines for Renewable Portfolio Standards (RPS) which classifies the following projects as renewable: solar photovoltaics (PV) distributed

resource mix that would develop new generation resources with a target mix of new generation resources for 31 MW of in-City photovoltaics, 72 MW of local renewable distributed generation such as combined heat and power (CHP) and fuel cells, and development of approximately 150 MW of wind generation, most likely to be located outside of the City. The Draft Plan also seeks proposals for energy efficiency and other demand reduction programs such as demand response (DR) programs to offset 107 MW of peak demand by 2017.

The SFPUC anticipates that it might not be reasonably feasible for a single Supplier to meet all of these goals alone, and encourages any Proposer that can meet some of these goals to coordinate with other potential Proposers to form a Joint Venture that could collectively meet these goals.

In efforts to assist any Proposer with development of the in-City renewable resources, the SFPUC has preliminarily identified five sites owned and operated by the City that could potentially serve as starting points for development efforts (See appendix XX). In an effort to further the development of the aforementioned renewable resources, the City will strive to work with the selected Proposer to streamline the process in a manner that is consistent with applicable City laws and policies. As noted below in Section VIII.14 Environmental Review and VIII.15 Project Approvals, the Proposer will be responsible for any necessary environmental review and project approvals, including approvals to use any particular sites.

The CleanPowerSF program anticipates as one possibility that the electric output from CleanPowerSF customers with rooftop PV systems (who also participate in net-metering tariffs) would be considered part of the in-city renewable generation target. Under current net-metering tariffs, a participating customer's net energy is tracked, and the customer is only billed for the net kilowatt-hours used. By this potential net-metering mechanism, any generation output from the net-metered customer would be in effect "purchased" by the CleanPowerSF program at that customer's applicable generation rate. The costs for any transmission, distribution, or other fees would be assessed using the applicable PG&E tariff rates. This approach may or may not be feasible, and other approaches may be available regarding output from rooftop solar installations.

#### *New Generation Resources*

Proposer shall identify all resources (including: energy, capacity, environmental attributes, ancillary services, contributions towards resource adequacy requirements, and any other reliability or power attributes associated with Project Output) that will be dedicated to supplying energy under the supply agreement. CCSF shall have rights to all environmental attributes from renewable energy purchased under the supply agreement, which includes any and all credits, benefits, emissions reductions offsets, and allowances attributable to the renewable energy production or load reduction (and its displacement of conventional energy generation).

Reports by SFPUC consultants have explored the technical and economic feasibility of different renewable resources. The San Francisco Urban Wind Task Force has recently explored the potential for using small wind generators (SWG) in distributed generation applications. While

---

generation and combined heat and power that utilize a renewable fuel source (such as bio-gas), wind projects, incremental hydroelectric development, wave power, and geothermal resources.

there are a number of limiting factors for wind capacity in CCSF, the task force has identified different designs that mitigate their technical, economic and environmental pitfalls.<sup>16</sup> Proposers may wish to consult the task force report in preparing their response.

### *Demand Side Resources*

The SFPUC seeks to achieve 107 MW of demand-side management, including conservation, demand side management programs, peak shaving, and increased energy efficiency efforts. Proposers are encouraged to be creative and provide innovative solutions to facilitate San Francisco's achievement of this ambitious goal.

CleanPowerSF intends to petition the California Public Utilities Commission (CPUC) to administer the portion of the mandated Public Goods Charge (PGC) funds collected from CleanPowerSF customers in order to fund local energy efficiency measures and programs.

Funding via PGC is established by the CPUC. Current funding for all San Francisco customers is estimated to be approximately \$18 million and is expected to be available over a three year period. Proposers should prepare a contingency plan should such funding not become available, including the impact on achieving the specific energy efficiency and conservation targets and program costs.

Proposer(s) should expect to work cooperatively with the City's Department of the Environment to achieve the most aggressive efficiency savings possible. The Department of the Environment currently administers energy efficiency programs within the City that have resulted in saving 24 MW by retrofitting the lighting, refrigeration, and HVAC systems in more than 7,000 businesses and multi-family buildings at an average cost of approximately \$.14 per annual kWh saved. The Supplier will be expected to coordinate with the Department of Environment to incorporate energy efficiency in its portfolio.

The City currently intends to make commercially reasonable efforts to negotiate with PG&E to obtain the ability to fund energy efficiency and conservation projects through a separate charge on participating customers' bills. This mechanism is often referred to as "on bill financing" whereby the costs for energy efficiency improvement and renewable projects are amortized and recovered as a specific line item charge on a customer's bill. In addition, the City may be able to develop a mechanism to allow San Franciscans to finance energy efficiency through their property tax bills.

### *Potential Funding Sources for New Resource Development*

As previously noted, City revenue bonds or other financing mechanisms may be available for financing construction of renewable generation projects required for CleanPowerSF.

Additional funds may be available through a variety of state and federal programs. For example, the loan program authorized by Assembly Bill No. 811 (2007-2007 Reg Sess.) that would help

---

<sup>16</sup> San Francisco Urban Wind Power Task Force, *Report and Recommendations*, 21 September 2009, [http://www.sfenvironment.org/our\\_programs/topics.html?ssi=6&ti=15](http://www.sfenvironment.org/our_programs/topics.html?ssi=6&ti=15)

homeowners and businesses pay for investments in solar panels, small-scale wind turbines, and increased insulation, among other efficiency upgrades, may be available to CleanPowerSF participants. Other potential sources of funding include various California Energy Commission grants, Renewable Energy Secure Community (RESCO) grants, and green energy funds made available by the American Recovery and Reinvestment Act of 2009 (ARRA). A responsive Proposer would work with the SFPUC on securing funds from these potential sources, and any other programs that may arise.

Proposer should identify all sources of funding for proposed projects.

#### *Rates for CleanPowerSF Customers*

The electric generation rates for the CCA program should be competitive with current PG&E generation rates for each rate class, and should provide for long-term rate design intended to remain competitive with PG&E's electric rates (See Section V. 4. regarding pricing schedule). Other ratemaking criteria include:

- No undue discrimination among customer classes in setting CleanPowerSF rates;
- The generation rates must provide for repayment to the City for its CleanPowerSF-related costs, including but not limited to, repayment of any revenue bonds; and
- The overall CleanPowerSF rates charged to customers must include all CCA costs, including the Cost Responsibility Surcharge.

Proposer rates should be all-inclusive of proposer's anticipated costs. For evaluation purposes, the Cost Responsibility Surcharge should be included as a separate additional rate component.

#### *Projected Energy Requirements*

The electricity needs of CleanPowerSF customers will be determined by the number of customers that participate in the program and their usage profiles. This section will include total annual and peak demand and load if all customers participate. It will also discuss the results of SFPUC market research on the number and type of customers expected to participate, and the resulting demand. The SFPUC has completed a comprehensive technical assessment of resource options within San Francisco and neighboring regions.<sup>17</sup> In addition, the SFPUC has performed a preliminary assessment of City-owned facilities that could potentially serve as sites for Photovoltaic generation. These are included in Appendix xx.

One important feature of the program is that customers currently served by PG&E shall become CleanPowerSF customers unless they opt-out. Customers shall be given several opportunities to opt-out prior to and after the commencement of service. Proposers should assume a reasonable opt out rate, and clearly specify what opt-out rate is assumed in its proposal. The CCA also has the right to impose an exit fee on customers to insure cost recovery. CleanPowerSF may decide

---

<sup>17</sup> Information on technical potential of resources can be found at:  
[http://sfwater.org/detail.cfm/MC\\_ID/17/MSC\\_ID/422/C\\_ID/4682](http://sfwater.org/detail.cfm/MC_ID/17/MSC_ID/422/C_ID/4682)

not to impose exit fees, so bidders should devise alternative strategies, and minimize reliance on exit fees.<sup>18</sup>

### **III. SCOPE OF SERVICES**

#### **1. Introduction**

The SFPUC Power Enterprise has developed the following scope of services for this RFP. The primary role of the selected Proposer will be to provide electricity supply services for CleanPowerSF that utilizes a mix of generating resources that is significantly more renewables-based than PG&E's electric generation portfolio. The selected Proposer will work under the direction of the Community Choice Aggregation Director in the SFPUC Power Enterprise. The following description is intended as a general guide and not as a complete description of all aspects of the scope of services or of all tasks necessary in order to complete the scope of services.

Responses that comprehensively address implementation of the aforementioned 360 MW resource mix envisioned for CleanPowerSF will receive preference during proposal evaluation.

#### **2. Schedule**

The SFPUC expects to have a long-term relationship with the potential Supplier, and is seeking to enter a contract of five years or longer.<sup>19</sup> Contracts with longer terms will be scored higher in the evaluation process. Proposers may bid a phased contract terms, noting the City's preference for a long-term contract, which details the Proposer's plan for achieving the City's long-term goals.

Longer contract terms will receive preference during proposal evaluation as extended term length (beyond five years) may facilitate the repayment of any long term revenue bonds used to finance construction of City-owned renewable generation assets through participating customer rates.

#### **3. General Description of Services**

This RFP solicits full requirements electric supply services for SF's CCA program (CleanPowerSF).

In concert with the services provided by the selected Proposer, the SFPUC and/or City staff intends to perform the following activities to facilitate program implementation and administration:

- Marketing program to customers
- Tracking and managing legislative/regulatory issues affecting CleanPowerSF;
- Auditing opt-out sheets and tracking customer enrollment;

---

<sup>18</sup> Proposers shall include in their proposals any exit fee structure that may be imposed for customers that switch after the opt out period, and specify if there is any requirement for duration that a customer remain with CCA.

<sup>19</sup> Proposed contract terms less than five years shall be deemed responsive and shall be evaluated, but contracts of five years or longer are strongly preferred.

- Completing spot audits of customer billing records and reimbursements;
- Requesting necessary data from PG&E and the City;
- Monitoring performance of CleanPowerSF Supplier(s);
- Working with Supplier to ensure coordination with City departments and authorities especially regarding potential bond issuance and other key program components, and
- Designing and administering proposer's energy efficiency and demand response programs for CleanPowerSF customers.

The primary role of the selected proposer(s) will be to provide electricity supply services, including - but not limited to - the following, as described in Section III.4, below:

- Task 1. Electric Procurement and Portfolio Management
- Task 2. Development and Construction, Operations, and Maintenance of Resources
- Task 3. Customer Account Services

#### **4. Detailed Description of Tasks**

The following is a description of the tasks identified for this project. Proposers should address all of the specified tasks. As directed in Section V (Proposal) of this RFP, Proposer shall expand upon this description of work and/or add tasks to fully identify the services that Proposer will provide.

##### *Task 1. Electric Procurement and Load Management*

###### *Task 1.1. Full Requirements Electric Supply*

Proposers shall provide full requirements electric supply for all CleanPowerSF customers. Full requirements electric supply shall mean all electric energy, renewables portfolio standards energy, capacity, planning reserves/resource adequacy requirements, ancillary services, load following, and scheduling coordination required to deliver electricity to meet the needs of end use customers participating in CleanPowerSF. The selected CleanPowerSF Supplier for this task will be responsible for forecasting and satisfying CleanPowerSF's load obligations on an hourly, daily and monthly basis, as required by protocols of the California Independent System Operator (CAISO) and the applicable regulations established by the California Public Utilities Commission (CPUC). The City shall make reasonable efforts to cooperate with Supplier(s) in its load forecasting process, such as by requesting customer load data from PG&E and providing information known to the City that may impact the load forecast.

**Use of SFPUC generation.** The SFPUC may make available generation capacity from its existing generation assets, including solar power installations and hydroelectric energy produced in the delivery of water. Any use of Hetch Hetchy hydroelectric power would be subject to the SFPUC's "water first" policy, as well as existing contracts and laws and regulations. Proposer should clearly indicate whether proposed rates depend upon availability of capacity from Hetch Hetchy or other SFPUC-owned generation assets.

**Risk management.** The CleanPowerSF Supplier should provide all required services at its own risk and will be required to provide appropriate financial assurances (payment/performance bonds,



guarantees, or letters of credit) to secure its performance, and to cover the cost of any re-entry fees in the event that a worst-case program failure scenario occurs, and customers are involuntarily returned to service provided by PG&E (See CPUC Docket No. R. 03-10-003).

Rate stability, and mechanisms to maintain stable rates, should be included in proposals. One method Proposers may wish to consider is to establish a “rate stabilization fund” that would set-aside funds in low-cost years so that rates could be maintained should the Supplier find itself with higher market exposure to higher rates. The City is open to creative proposals for how ownership and operational structure of such a fund may be structured.<sup>20</sup>

**Regulatory Reporting Requirements.** Supplier shall provide resource information to the City necessary to comply with regulatory reporting requirements for the Renewable Portfolio Standards (RPS), Resource Adequacy Demonstration (RAD), and any other reports required of load serving entities by law.

**Payment for Service and Delinquent Accounts.** Supplier shall be paid for energy as funds are received from customers per Supplier(s)’s rate schedule. The City intends to make commercially reasonable efforts to support collection of delinquent accounts, including initiating service transfer to PG&E. In its proffered rates, Proposer shall incorporate its expected cost of non-payment from approximately 0.7% of customers (uncollectible accounts).<sup>21</sup> Proposal should propose mechanism for addressing any revenue shortfalls that may arise due to the number of uncollectible accounts differing from the number included in the Proposer’s forecast rate.

*Task 1.2. Meeting Renewable Energy Requirements and Targets*

Proposer must ensure that the minimum state renewables portfolio standards are met regardless of the actual commercial operation dates and performance of any new resource generation development. Proposers are strongly encouraged to submit proposals to meet the City’s targeted renewable goal of at least 51% by 2017 with qualifying renewable resources consistent with California law. The City has an intermediate goal of 40% of CleanPowerSF electric needs to be met with RPS-compliant renewable and in-city distributed generation and demand side programs. Proposers must submit a timeline and an adequate plan designed to achieve this goal, with preference given to proposals that most closely adhere to the above timeline.

Proposers are encouraged to present proposals that include options for incremental purchases of renewable energy and options for partial or full ownership of renewable resources by CCSF. For proposals including options for partial or full ownership of renewable energy resources by CCSF, the Proposer will be responsible for all consulting, expert and legal costs related to compliance with applicable CEQA and/or NEPA requirements that may result from project development activities.

---

<sup>20</sup> Additional risk mitigation strategies can be found in the Navigant report on risk and the DIP, which can be found at the LAFCo’s website.

<sup>21</sup> See page 4 of [http://sfgov.org/site/uploadedfiles/controller/csa/audit/BOS\\_PG&E.pdf](http://sfgov.org/site/uploadedfiles/controller/csa/audit/BOS_PG&E.pdf) for recent range of PG&E’s uncollectible accounts.

Additionally, Proposers should include a process whereby the SFPUC will be able to objectively evaluate whether the Proposer is meeting these goals, including benchmarks, objective criteria and timelines.

### *Task 2. Development and Construction of Generating Resources*

CleanPowerSF anticipates the development of both in-City and out-of-City renewable energy resources to meet the program's renewable energy goals. Ordinance 147-07 sets forth a target resource mix that would develop 103 MW of in-City generation, including 31 MW of PV, 72 MW of local renewable distributed generation such as CHP and fuel cells, in addition to 150 MW of wind generation, most likely to be located outside of the City. The Ordinance also sets a target of 107 MW of demand reduction, which would be achieved through energy efficiency and demand response programs and/or resources. Task 2 proposals should provide a detailed plan for meeting these targets. While preference will be given to proposals that achieve the City's generation targets, proposals that describe plans to partially meet the aforementioned targets will not be disqualified. Proposer(s) should include detailed proposals with all resources commercially operable within five years after execution of the supply agreement.

Highest preference will be given to proposals that site resources within the City and County of San Francisco, with next highest preference awarded to proposals utilizing and/or developing resources sited within the NP-15 region. Tertiary preference will be given to resources sited within California (but outside CCSF and the NP15 region), followed by resources located outside California with transmission rights to the CAISO controlled grid.

For all energy supplied under the Agreement, the Point of Delivery shall be the default PG&E Load Aggregation Point as defined by the CAISO.

Each proposal should describe how it will leverage available incentives for projects, including Federal incentives for renewable projects, and the New Market Tax Credit for low income areas.

All energy, capacity, environmental attributes, ancillary services, contributions towards resource adequacy requirements, and any other reliability or power attributes associated with Project Output, will be dedicated to supplying energy under the supply agreement. CCSF shall have rights to all environmental attributes from renewable energy purchased under the supply agreement, including but not limited to any and all credits, benefits, emissions reductions offsets, and allowances attributable to the renewable generation or load reduction and its displacement of conventional energy generation.

For all facilities financed with tax-exempt revenue bonds or financed via a power purchase agreement with the CCSF, the City's current intent is that ownership will transfer to the CCSF upon retirement of the revenue bonds or upon termination of the agreement, unless the City authorizes otherwise for specific projects. CCSF may acquire ownership during the term of the agreement for fair market value. It is anticipated that tax credits, rebates, production incentives, and other subsidies associated with all facilities will accrue to the Supplier(s) in most instances.

Proposers shall assume responsibility for technical specifications, engineering and design procurement, purchase of necessary equipment, and development, as follows:

*Task 2.1. Technical Specifications Of Resources*

For each generation project, Proposer(s) shall set forth a detailed technical description that includes: facility design; location; point of interconnection; initial capacity; operating characteristics; critical milestones; performance guarantees; performance testing procedures; and warranties. Mutually agreed-upon specifications will become addenda to the contract with the City.

Performance guarantees for each project shall be set forth in technical specifications and will include guaranteed base electrical output, a guaranteed availability threshold, and, if applicable, a guaranteed emissions limit.

Proposer shall prepare an annual rollout schedule designating committed capacity (MW) that will be completed for each element of the targeted generating resource development plan as well as a schedule identifying critical milestones related thereto.

Critical milestones include the following:

- Design
- Site Control
- Permits
- Interconnection Agreement
- Financing
- Construction
- Commercial Operation Date

*Task 2.2. Engineering And Design Procurement*

Supplier shall be responsible for all engineering, design, and construction, and any associated procurement. The City must approve all designs prior to construction.

*Task 2.3. Development Obligations*

Proposer's development obligations include the following:

- A. Develop, finance and construct the project and interconnection facilities, including project ownership, project planning and administration, asset and property acquisition, environmental and other project approvals, project financing, and engineering, procurement and construction activities.

- B. Preparation of development schedules and monthly progress reporting.
- C. Provide CleanPowerSF access to a “real time” plant monitoring system providing, at minimum, “real time” information regarding the net output of the plant.
- D. Seek, obtain, maintain, comply with and, as necessary, renew and modify from time to time, all permits, certificates or other authorizations which are required by any requirements of law or governmental authority as prerequisite to engaging in the activities required of Supplier(s) by the Contract.
- E. Operate, maintain, and repair the facilities in accordance with the Contract, all requirements of law applicable to Supplier(s) or the plant, contractual obligations, permits and in accordance with prudent utility practice, including with respect to efforts to maintain availability of the facilities’ capacity.
- F. Obtain and maintain the policies of insurance and credit security in amounts and with coverages as set forth by CCSF.
- G. Annually notify CleanPowerSF of scheduled outages for the following calendar year, and notify CleanPowerSF as soon as practicable of any outage whether scheduled or unscheduled.
- H. Negotiate and enter into an interconnection agreement with PG&E to enable CleanPowerSF to receive energy through the ISO-controlled grid.
- I. Negotiate and enter into a participating generator agreement and a meter service agreement for ISO metered entities with the ISO, if applicable to the interconnected generator.
- J. Operate and maintain the facilities and cooperate with PG&E in the physical interconnection of the Plant to the PG&E system in accordance with the interconnection agreement.
- K. Register eligible facilities with the Western Renewable Generation Information System.
- L. Maintain the performance guarantees set forth in the associated technical specifications.

#### *Task 2.4. Energy Efficiency and Demand Side Management*

CleanPowerSF shall incorporate demand side strategies for reducing load and controlling resource costs. Respondents are strongly encouraged to propose creative solutions that will maximize energy efficiency savings. Such proposals may include structural recommendations for CCSF’s energy efficiency program, specific energy efficiency enhancements that will promote savings within San Francisco, financing proposals that will utilize/leverage CCSF’s tax-exempt borrowing capabilities to the extent that such financing may be available, and/or professional services related to the administration of CCSF’s energy efficiency program as well as other programmatic elements.

The City seeks proposals with aggressive plans for meeting the Ordinance's target of 107 MW of energy efficiency, conservation, and demand response. Respondent's scores will reflect the proposed energy efficiency and demand response strategies, with preference given to candidates with more robust programs that achieve higher peak demand savings. The Proposer should provide specifics regarding how programs would be coordinated with energy efficiency programs operated by San Francisco Department of the Environment (SFE), and how the proposer's programs would provide cost effective energy and demand savings.

Currently, energy efficiency programs for residents and businesses in San Francisco are operated by PG&E, and through a partnership between PG&E and SFE. The Proposer should anticipate working cooperatively with the SFE to achieve these objectives.

To the extent City policies and resources allow, SFE currently intends to cooperate with CleanPowerSF to:

1. Develop a marketing campaign for energy efficiency and demand reduction services
2. Set demand reduction goals for time-of-day, market sectors, and specific customers that will enhance CleanPowerSF
3. Review and amend SFE's quality assurance protocols as needed
4. Review and amend SFE's customer satisfaction assurance protocols as needed
5. Assist CleanPowerSF in evaluation and performance verification of the SFE program effectiveness
6. Amend the SFE program as indicated by the evaluation; and
7. Develop new customer services as needed.

SFE intends to continue to serve natural gas customers and any opt-out customers through the CPUC directed programs. SFE intends to develop new programs and policy initiatives to achieve the City's greenhouse gas emissions reductions goals by utilizing other funding sources such as the American Recovery and Re-Investment Act, private foundations, and other Federal and State sources. SFE will consult with CleanPowerSF in development of any of these other services in order to provide integrated and coordinated services to the citizens and businesses of San Francisco.

### *Task 3. Customer and Administrative Services*

Proposers shall provide the following customer account services for all CleanPowerSF customers:

#### *Task 3.1. Customer Enrollment*

This task consists of providing all services necessary to administer customer enrollments and departures from CleanPowerSF including exchange and processing of Community Choice Aggregation Service Requests with PG&E.

#### *Task 3.2. Billing Administration*

This task consists of providing all services necessary to issue monthly bills to participating customers through PG&E's billing process and tracking customer payments. Services include the electronic exchange of customer usage, billing, and payments data with PG&E; tracking of

customer accounts receivables and payments; issuance of late payment and/or termination notices; and administration of customer deposits.

### *Task 3.3. Customer Services*

This task consists of providing call center services to respond to customer billing inquiries and requests for specific program information. Proposer shall coordinate with SFPUC call center staff to respond to specific customer inquiries about billing rates and resource portfolio.

## **IV. QUALIFICATIONS**

This section sets forth the desired, but not required, qualifications for a Proposer, except for those qualifications designated as minimum qualifications in Section VI.2.

### **1. Prime Proposer and Joint Venture (JV) Partners Qualifications**

Any Joint Venture (JV) responding to this RFP must clearly identify the lead Proposer (referred to hereafter as the Lead JV Partner).

To qualify for award of this Contract, the Prime Proposer or JV Partners (and their specified subcontractors) must demonstrate relevant expertise related to the tasks described in this RFP and which the Proposer(s) proposes to perform. Proposers capable of providing only a portion of the tasks, such as specific resource generation, are encouraged to participate in the pre-bid conference as an opportunity to forge relationships with a Prime Proposer or JV.

To qualify for this RFP, a Proposer or Joint Venture (and critical sub-contractors) must possess the following:

- **Goodstanding and Licenses.** The Proposer must be qualified to do business in and in demonstrate good standing with the State of California. In addition, the Proposer must have the ability to procure and/or secure all licenses, permits, approvals and authorizations necessary in order to perform the proposed task(s) and conduct its business.
- **Other City Contracting Requirements.** The Proposer must be willing and able to comply with the City contracting requirements set forth in Section X of this RFP.
- **Years of Experience.** The Proposer must have at least three (3) years of experience with projects or transactions similar to the proposed scope of work and specific task(s) proposed to be performed.
- **Completed Projects.** The Proposer must have completed at least two (2) projects or transactions similar to the proposed task(s).
- **Qualifications and Staffing.** The Proposer must have management and personnel sufficient in number, availability and qualifications to perform the proposed task(s) in the manner required by the City.
- **References.** The Proposer must be able to provide favorable references from at least two (2) recent clients for projects or transactions similar to the proposed task(s).
- **Energy Procurement.** The Proposer must demonstrate 2 years of experience procuring energy supplies, including meeting renewable energy standards, planning reserves/resource adequacy, ancillary services, load following and scheduling coordination.

- Renewable Portfolio Standards. The Proposer must have experience procuring renewable energy to meet state renewable energy standards and demonstrate ability to procure sufficient renewable energy to meet CleanPowerSF program targets.
- Demand Side Management. The Proposer must demonstrate experience developing and implementing demand-side strategies to reduce load and control resource costs.
- Development and Construction. The Proposer must have experience managing the technical specifications, engineering and design necessary for developing, financing and constructing new renewable energy generation resources.
- Technical Specifications. Proposer must have experience developing a detailed technical description of new resource projects, including facility design, location, point of interconnection, initial capacity, operating characteristics, critical milestones, performance guarantees, performance testing procedures and warranties.
- Engineering and Design. The Proposer must show experience handling all engineering, design and procurement necessary for the financing and construction of new renewable energy resource
- Development. The Proposer must have experience developing, financing and constructing renewable resource projects and interconnection facilities, including project planning and administration, asset acquisition, engineering, necessary permits or certificates, procurement and construction. Proposer must demonstrate experience operating renewable energy facilities and maintaining performance guarantees. Proposer must develop a system through which CleanPowerSF may monitor the facility in “real time.”
- Customer Enrollment. The Proposer must demonstrate experience providing all services necessary to administer customer enrollments and departures.
- Billing Administration. The Proposer must have experience handling customer billing and payment, tracking customer usage, customer accounts receivable and payments, issuing late payment/termination notices and administering customer deposits.
- Customer Services. The Proposer must demonstrate experience managing a call center and providing call center services in response to billing questions and customer inquiries.

## **2. Financial and Operational Capabilities**

The respondents must provide sufficient evidence of financial, technical and operational capabilities for the performance of the requested services.

The respondents or any guarantor must provide the following:

- Audited balance sheet and the related statement of income and cash flows for each of the two most recent full fiscal years, certified by a reputable accounting firm as accurately presenting the financial position, in accordance with generally accepted accounting principles
- Evidence that the candidate has or has had in the prior two (2) years a credit rating of at least Baa2/BBB or must supply a guarantee from an organization with such credit rating. If a subcontractor does not possess the requisite credit rating, the candidate or its guarantor must supply a guarantee for such subcontractor.

- Respondents should provide a plan for financing the acquisition or development of the supply options contained within their proposal, including, if available, demonstration of access to reasonable levels of performance security commensurate with provision of the requested services.
- Supplier should post and maintain a bond or demonstrate insurance sufficient to cover the potential cost associated with the involuntary return of customers to PG&E resulting from Supplier's default, as such reentry costs are established by the CPUC. Supplier should be responsible for actual reentry fees assessed by PG&E regardless of the posted bond or insurance amount. The City may utilize "self-insurance". Any fees associated with self-insurance shall be paid by Supplier and shall be recovered from CleanPowerSF customers via CleanPowerSF rates.
- Proposer(s) should obtain a performance bond, letter of credit, corporate guarantee or other financial instrument acceptable to the City, to cover any of its performance failures in the construction of the renewable resource development and any liabilities that may arise from its activities related to managing the energy portfolio or acting as scheduling coordinator.
- Proposer shall not offer substantially similar services as offered by CleanPowerSF to any customers within CCSF boundaries during term of Agreement and for the twelve month period following termination of the Agreement, except as may be required under preexisting direct access agreements.
- Respondents should provide references for current and/or prior agreements where the respondent has provided similar services to load serving entities or retail customers, preferably within California.
- Respondents should describe any applicable sustainable business practices, policies, or programs it has adopted and adheres to in the conduct of its business operations.

### **3. Certified Scheduling Coordinator**

In connection with the requirements for Task 1, respondents should demonstrate their qualifications in providing similar electric services within the CAISO control area.

Proposers must be certified by CAISO as a scheduling coordinator, or must put forward a certified scheduling coordinator that will be responsible for scheduling loads and resources under the proposal. If the respondent is not a certified CAISO scheduling coordinator and will be putting forward a third-party to serve in this capacity, CCSF will require these respondents to submit proposals that are co-signed by the anticipated scheduling coordinator, verifying the intended business relationship and the anticipated scope of services to be provided.

## **V. PROPOSAL**

### **1. Pre-Submittal Conference and Requests for Information**

The pre-submittal conference is scheduled for [insert time and date]. The conference will be held at [insert location including room no., floor and address] [e.g., 1145 Market Street (San Francisco), 1<sup>st</sup> Floor Conference Room.] Questions regarding the RFP will be addressed at this



conference and any new information will be provided at that time. While City staff may provide oral clarifications, explanations, or responses to any inquiries, the City is not bound by any oral representation. If any new and/or substantive information is provided in response to questions raised at the pre-submittal conference, it will be memorialized in a written addendum to this RFP.

**Prime proposer's attendance at the pre-submittal conference is mandatory as one of the good faith steps under chapter 14B "Good Faith Outreach" requirements, if HRC has assigned a Local Business Enterprise (LBE) participation goal (see below, Section IX.1.a. "LBE Subconsultant Participation Goals.")**

All requests for information concerning the RFP, whether submitted before or after the pre-submittal conference, must be in writing and directed Kofo Domingo at [rfp@sfgwater.org](mailto:rfp@sfgwater.org). All inquiries should include the number and title of the RFP. Substantive replies will be memorialized in written addenda to be made part of this RFP. All addenda will be posted on the on the Contract Administration Bureau webpage at <http://contracts/sfgwater.org>. This RFP will only be governed by information provided through written addenda. With the exception of Human Rights Commission (HRC) or City contracting inquiries, no questions or requests for interpretation will be accepted after **[insert date]**.

## **2. Proposal Submittal**

Deliver the following items in a sealed package clearly marked ***[insert Agreement No. and Title and in bold and italics]***:

- **Proposer's Proposal:** **[Insert number]** [e.g., One (1)] unbound and **[insert number]** [e.g., twelve (12)] bound copies and one (1) CD in .pdf format of the proposal and any related information (See Section V.3);
- **Pricing Schedule:** One (1) original, one (1) copy, and one (1) electronic file (compatible with Microsoft Excel) of the Pricing Schedule in a separate sealed envelope labeled "Pricing Schedule - CS-xxx Electricity Supply Services for Community Choice Aggregation Program" (See Section V.4.B);
- **HRC/Local Business Enterprise (LBE) Forms:** Please submit one (1) original and one (1) copy of HRC Attachment 2 forms in a separate sealed envelope labeled "HRC/LBE Forms - **[insert Agreement No. and Title]** [e.g., CS-804, Engineering Services, Alameda Siphon No. 4 by **[Proposer's Name.]**]" (See Section V.4.A and Section IX.1.c.);
- **HRC/12B & 12C Form:** One (1) original and one (1) copy of HRC form (Form No. 12B-101) in a separate sealed envelope labeled "HRC/12B Forms - CS-xxx Electricity Supply Services for Community Choice Aggregation Program" (See Section V.4.A and Section IX.2)
- **First Source Hiring Program Certification Form:** One (1) original and one (1) copy of the First Source Hiring Program Certification form in a separate sealed envelope labeled "First Source Hiring Program Certification Form by **[Proposer's Name.]**" - (See Section XV);and
- **Other Required City Forms:** One (1) original and one (1) copy of the following forms in a separate sealed envelope labeled "Other Required City Forms - Business Tax Registration Declaration, Release of Liability Form, MCO/HCAO Declaration Forms by **[Proposer's Name.]**."

The package, which includes the Proposer's proposal and [five] separately sealed envelopes, must be received at the following location no later than 2:00 p.m. on [insert date]. Postmarks will not be considered evidence of delivery. Late proposals may be deemed non-responsive and rejected.

Proposals should be mailed or delivered to:

San Francisco Public Utilities Commission  
Contract Administration Bureau  
Attn: Kofo Domingo  
RE: CS-xxx Electricity Supply Services for Community Choice Aggregation Program  
1155 Market Street, 9<sup>th</sup> Floor  
San Francisco, CA 94103

### 3. Proposal Format and Content

The proposal shall be (1) clear and concise, (2) responsive to all RFP requirements, and (3) presented in the form of a written report separated by tabs into the following subheadings:

- A. Cover Letter
  - B. Executive Summary
  - C. Work Approach
  - D. Task Descriptions
  - E. Project Schedule
  - F. Project Team Organization and Availability
  - G. Proposer Qualifications
  - H. Key/Lead Team Member Qualifications
  - I. References
- Exhibit A - Organizational Chart  
Exhibit B – Key/Lead Team Members; Resumes and Letters of Commitment

The Proposer shall refer to Section V.4 (Supplemental Proposal Requirements) for additional documents (including the Pricing Schedule) that must be prepared and submitted separately from the main proposal report.

The text in the main proposal report, including tables and figures, shall not exceed **thirty-five (35) pages** (note: one double-sided page counts as two pages). The Task Description section of the proposal (see Section V.3.D) as well as organizational charts, resumes and the Schedule of Estimated Number of Hours Per Task to be included as appendices will not count against the proposal page limit. Proposers shall print their proposal double-sided on 8.5 x 11 inch recycled and/or recyclable white paper (larger size paper can be used for figures and organization charts) and use a minimum font of 10 pts with minimum margins of 1 inch for the preparation of their proposal. Proposer shall number every page of the proposal, beginning with the cover letter, including pages with tables and figures.

Proposals must include the following information:

A. Cover Letter

Submit a cover letter signed by an individual authorized to obligate the Proposer to fulfill the commitments contained in the proposal. The letter must include the following: (1) a statement identifying the Lead Proposer if a JV is responding to this RFP; (2) a contact for all communications pertaining to the Proposer's proposal (include telephone number, fax number, e-mail address and mailing address); (3) a statement of the Proposer's overall ability and qualifications to conduct the work; (4) a statement that the Proposer agrees to comply fully with the terms and conditions of the Agreement, attached hereto as Appendix C; and (5) a statement that the Proposer agrees to fully comply with all applicable San Francisco laws. In addition, the Proposer should indicate whether it would be willing to supply services that consist of less than all of the three Tasks described in Section III.4 and, if so, identify which of the three Tasks it would be willing to provide on a stand-alone basis.

B. Executive Summary

Provide an executive summary that (1) includes a brief overview of the proposal's principal elements, (2) demonstrates an understanding of the SFPUC project objectives, and (3) describes the approach for carrying out the scope of services.

The executive summary must include a summary of the bid, including:

- Overall average per kilowatt hour rate for all customers, by year;
- Duration of proposal (proposed contract term);
- The incorporation of renewable energy on an annual basis, characterized as a percentage of overall sales, utilizing the definition of renewable as specified in California's RPS rules;
- The location of renewable resources and other specified resources;
- Percentage of renewables that are established using Renewable Energy Credits (RECs); and
- Location and specific fuel source (identifying capacity and technology) of any new generation facilities proposed for construction.

C. Work Approach

For the relevant tasks included in proposal, describe the overall project approach that your team proposes to use to successfully carry out this project, including but not limited to the following:

- Overall approach for meeting goals and objectives of this RFP;
- Approach for coordinating/managing all work activities to meet project milestones and deliverable due dates;
- Phases of work, including the development of the resource portfolio after finalizing contract up through cut-over date for serving customers;
- Plan for interfacing with PG&E regarding transferring necessary billing data and transferring relevant revenues;

- Specific identification of sources of energy to meet CleanPowerSF customer consumption;
- Timeline for phasing in renewable sources of energy and meeting program renewable objectives (goals of 40% benchmark by 2012<sup>22</sup> and 51% RPS compliant by 2017);
- Proposals for achieving city goals for “360 MW roll-out” of specified projects as specified in Ordinance 147-07 and the Draft Implementation Plan.

#### D. Task Descriptions

Proposer should confirm, expand and/or detail the tasks outlined in Section III.4. Each proposal should provide detailed descriptions of how the Proposer proposes to execute the work associated with each task. The more detailed descriptions to be provided by Proposer shall not in any way lessen or eliminate any of the work elements outlined in this RFP. The detailed task descriptions provided by the selected Proposer will be used to develop the scope of services section of the Agreement. The task descriptions to be provided as part of the proposal should therefore be detailed enough to clearly identify the work to be performed under each task. The detailed task (and subtask) descriptions should specifically address the Proposer’s approach to the key work described in Section III.4 and summarized below:

- Electric Procurement and Portfolio Management
  - Provide full requirements supply
  - Proposer’s specified renewable energy mix and timeline for achievement of renewable portfolio targets. Proposals that achieve higher renewable portfolio percentages shall be given preference.
- Development and Construction, Operations, and Maintenance of Resources
  - Provide complete technical specifications of resources
  - Engineering and design of new resource
  - Management of all development obligations
  - Proposer’s plan for integration and facilitation of demand side resources for the portfolio
  - Preference will be given to proposals based on the degree to which they achieve the goals for specified resources in Ordinance 147-07.
- Customer and Administrative Services
  - Coordination with SFPUC call center staff to respond to specific customer inquiries about billing rates and resource portfolio (general program information and queries regarding election to participate in program to be handled by SFPUC call center personnel)
  - Billing administration tasks required for ensuring accurate customer information and ability to accurately track revenues from participating customers

The Proposer may suggest additional tasks to facilitate a quality product serving the project.

The description provided for each task (i.e., tasks outlined in Section III.4 and additional tasks proposed by Proposer) shall include as appropriate the following information:

---

<sup>22</sup> See discussion in Section 4, Detailed Description of Tasks, Task 1.1.1. “Meeting Renewable Energy Requirements and Targets”

- Task-specific approach and associated work elements;
- Dependencies on/among other tasks (including activities of others and required key information);
- Responsible party within the Proposer or JV Partners;
- Operational dates for energy efficiency, conservation, and demand response programs;
- Online dates for any generation facilities proposed to be developed; and
- Intermediate deliverables and portfolio characteristics on specified timeline.

#### E. Project Schedule

The proposer(s) shall provide a timeline for procuring and providing sufficient power to meet CleanPowerSF loads, and for reaching program renewable energy and demand side management goals. The schedule provided by the selected Proposer will be used to assist in developing the Contract.

#### F. Project Team Organization and Availability

It is critical that the Proposer clearly outlines how the Project Team will be organized and demonstrates a strong commitment to this project. Proposer should provide an Organizational Chart that illustrates the team structure and resumes of all Key/Lead Team Members in Exhibits A and B of the Proposal, respectively. Also, provide the specific percentage of their work time, each Key/Lead Team Member will spend on the project and confirm their availability throughout the project duration.

#### G. Proposer Qualifications

Clearly demonstrate that the Prime Proposer (or JV Partner), Non-Leading JV Partner (if applicable), and Subconsultants meet the qualification requirements outlined in Section IV.1 and Section IV.2. Provide sufficient information in the proposal for the Selection Panel to evaluate the Proposer's ability to successfully complete the tasks outlined in the scope of services, including, but not limited to the qualifications described in Section IV.1 and IV.2

#### H. Key/Lead Team Members: Resumes and Letters of Commitment

Clearly demonstrate that the key/lead team members proposed by the Proposer meet all the qualification requirements outlined in Section IV.1. Provide resumes in Exhibit B to contain sufficient information in the proposal for the Selection Panel to evaluate the ability and experience of each key/lead team member to successfully fulfill their roles, and complete the scope of services. The information required in this section for Key/Lead Team Members applies to both the key/lead positions identified in Section IV.1 and the additional key individuals proposed by the Proposer.

Briefly describe the role, responsibilities, qualifications, and company affiliation of each individual on the Proposer team for the scopes of services outlined in this RFP. Discuss team members' background and experience that demonstrate a strong ability to successfully perform the work.

Proposer shall provide a letter of commitment from each Key/Lead Team Member identified previously in the RPF in Sections IV.1. Each letter of commitment shall be attached to the resume of the applicable individual, signed by the applicable individual, and dated within five (5) days of the date that proposals are due. Each letter of commitment must include a statement by the applicable individual that, if the SFPUC awards an agreement to the Proposer, he or she intends to work on the Project at the percentage of work time specified by Proposer in its proposal for the duration of the Project. In the absence of a letter of commitment from an identified Key/Lead Team Member, the SFPUC may determine that the Proposer does not have commitment from the identified individual/s and may reject the proposal as non-responsive.

#### I. References

References will be considered as part of the evaluation of written proposals. The SFPUC will utilize the references included in Proposers' proposals to verify Proposers' and their employees' and Subconsultants' qualifications and ability to successfully perform the services requested under this RFP.

Provide the names and contact information of three (3) references knowledgeable about the work of the Prime Proposer (or each JV Partner) on projects with a scope of work most similar to this project and completed within the past ten (10) years. Include name, title, company, address, telephone number, fax number and e-mail address. All contact information must be current as of proposal submittal date. As part of the submittal package, Proposers must sign and return the Release of Liability (waiver required for reference checks). (See Appendix H.) Proposers should note that a failure to provide a properly executed waiver for Release of Liability, signed by the Prime Proposer, or if a JV, by all JV partners, may result in a score of zero for the reference portion of the evaluation.

The SFPUC will not be responsible for non-responsive references or references with incorrect contact information. A reference will be found non-responsive if the Proposer's information cannot be verified by a reference within seven (7) calendar days of first contact attempt by SFPUC staff. The SFPUC may, at its discretion, make contact with individuals, entities or firms provided in all or some of the references and will apply the same reference checking criteria to all proposers.

#### Exhibit A - Organizational Chart

The Organizational Chart must illustrate the team structure of all proposed staff to be included as Exhibit A of the submitted Proposal.

#### Exhibit B - Resumes with attached Letters of Commitment

See above section "V.3.H. Key/Lead Team Members' Qualifications; Resumes and Letters of Commitment" for the components of Exhibit B to the proposal.

#### 4. Pricing Schedule for Requested Services

One (1) original, one (1) copy and one (1) electronic file (compatible with Microsoft Excel) of the Pricing Schedule must be submitted in a separate sealed envelope labeled "Pricing Schedule - CS-xxx Electricity Supply Services for Community Choice Aggregation Program" and delivered with the proposal package. The first block of prices should extend from July through December 2010. Annual prices shall be provided for each full calendar year, starting in January 2011 for the duration of the proposed contract.

##### A. Pricing Schedule for all Tasks

All energy supply pricing proposals should include the following:

- Energy pricing should include all costs associated with the proposal. The following should appear as separate line items: (a) currently applicable cost responsibility surcharges, (b) dedicated rate components for payment of debt service and (c) City administrative and general costs. Customized energy pricing may be offered to customers at whose premises renewable generation and/or energy efficiency projects are sited.
- Supplier cost for resources – Proposers must provide the costs for all energy resource acquisitions. Prices should be broken out with specific line items as described in Section V.4.B.
- Adjustment/update to price allowed two months after December proposal due date (February 25) – Proposers may revise pricing of bid based upon changes to market conditions.
- Prices for the various requested services should be shown separately (revenue requirements) – Proposers must provide the revenue requirements for each proposed service and resource.
- Description on invoicing process (when payments from CleanPowerSF would need to be received by provider). – Proposals must include a description of the proposed invoicing process, including timelines for when payments would be due to the Supplier for any electricity purchases from CleanPowerSF. Customer usage data will be available on a meter read cycle as described in the utilities' community choice aggregation tariffs (Rule 23).
- The City's costs of administering the program should be funded through the Supplier(s)'s energy pricing schedule. The City has estimated the annual administrative costs at approximately \$5 million. Changes to the program costs shall be included as a price adjustment. Supplier(s) shall disburse funds for program costs to the City on a quarterly basis.
- Payments necessary for servicing the bonds or other financing used to fund program renewable energy and energy efficiency projects should be funded through the Supplier(s)'s energy pricing schedule.
- Energy prices must provide a specific formula for how rates may be adjusted from year to year. The City may direct Supplier(s) to modify the energy price to recover actual City program costs and debt service costs.

- Prices should not include PG&E delivery charges for transmission, distribution, public goods and other non-bypassable surcharges, which shall be paid directly to PG&E by participating customers.

Prices must be all-inclusive, except for PG&E delivery charges for transmission, distribution, public goods, and other non-bypassable surcharges, which shall be paid directly to PG&E by participating customers. The offered price shall include, without limitation, costs associated with the delivery of shaped energy and renewable energy to the Delivery Point, transmission congestion, capacity, reserves, ancillary services, independent system operator fees, scheduling fees, and imbalances charges.

All pricing proposals must state fixed prices per kWh for each rate class currently being served by PG&E, and per MWh for all customer classes combined. Prices must be firm, fixed price offers for the associated contract term. Proposals may also be submitted for fixed prices with a rate structure that has a specific formula for escalating rates over time. Proposals must include the average rate for all customer classes combined in year one of the proposed contract and the average rate for all customers over the length of the contract. See scoring criteria to ensure pricing proposals meet all requirements.

Prices must be provided for each year from June 2010 through the end of the proposed contract term. The first block of prices should extend from July through December 2010. Prices for 2011 should begin in January 2011 and cover the full calendar year. Prices for all other years should reflect a full calendar year basis. Pricing proposals must be applicable to actual energy requirements of the customer base that ultimately enrolls in the Program. Preference will be given to proposals that do not include volumetric bands or adjustments. Proposer must specify whether proposed pricing applies to specific forecast energy volumes, and detail any proposed mechanisms that would be employed to adjust prices should actual load of the CleanPowerSF program deviate from specified forecasts.

Proposals that include a financing component or external sources of funding, other than the offered price of energy, must specify the expected terms and conditions of such financing and must include a detailed description of the underwriter's financial, technical and operational capabilities. Proposals that include energy efficiency or distributed generation must include specific information on the measures or resources being proposed; the timeline for deployment; and subcontractors being relied upon for completion of the work; committed energy savings and the basis for the calculated energy savings; a measurement and evaluation methodology; and the funding mechanism for the energy efficiency and/or distributed generation. Proposals should include contingencies should PGC funds not be available.

#### B. Pricing Schedule for Customer Accounts Services (Task 3)

Respondent shall provide annual revenue requirements for operation of customer account services, in addition to the overall average annual cost. The overall cost per unit energy delivered should be broken out to include:

- Annual revenue requirement for operation of customer account services



- Total annual prices per kWh for each customer class including the revenue requirement for the customer account services; and
- Annual prices per kWh for each customer class NOT including the revenue requirement for the proposed customer account services.

## **5. Supplemental Proposal Requirements**

### **A. Human Rights Commission Forms**

All proposals submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Attachment 2: Form 2A - HRC Contract Participation; Form 2B - HRC “Good Faith Outreach” Requirements Form; Form 3 - HRC Non-Discrimination Affidavit; Form 4 - HRC Joint Venture Form (if applicable;) and Form 5 - HRC Employment Form.

Please submit one (1) original and one (1) copy of the above forms with your proposal. The forms should be placed in a separate sealed envelope labeled “HRC/LBE Forms – CS-xxx Electricity Supply Services for Community Choice Aggregation Program” and delivered with the proposal package.

One (1) original and one (1) copy of the HRC/12B form (Form No. 12B-101) must be submitted in a separate sealed envelope labeled “HRC/12B Forms - CS-xxx Electricity Supply Services for Community Choice Aggregation Program” and delivered with the proposal package.

Failure to complete, sign and submit each of the HRC forms listed above may result in the proposal being deemed non-responsive and rejected.

## **VI. Evaluation and Selection Criteria**

### **1. Overall Evaluation Process**

The evaluation process will consist of: (1) initial screening for minimum qualifications, (2) written proposal evaluation and (3) oral interview evaluation, if the City chooses to conduct oral interviews. Only proposals that meet the minimum qualifications for a Prime Proposer or JV Partners will be eligible to be scored. Based on the scores assigned during the written proposal evaluation, up to four of the highest-ranked proposers may be invited to an oral interview.

The Selection Panel will be comprised of individuals who are knowledgeable on the subject matter, and may include staff from the SFPUC, other City agencies, and/or other utilities or organizations. SFPUC/City staff closely involved with the preparation of this RFP and the development of the scope of services will not be allowed to be part of the Selection Panel.

The points allocated for these phases are ninety (90) (TBD) points for the written proposal phase, and, if oral interviews are held, ten (10) points (TBD) for the oral interview phase.

## 2. Initial Screening

SFPUC and HRC staff will review each proposal to determine if it meets the minimum requirements specified in this RFP. Proposals determined not to meet the minimum requirements (described below) during initial screening will be rejected and will not be considered in the evaluation process described below.

The minimum qualifications are:

- Proposal must meet, at a minimum, current California State laws and regulations regarding RPS (20% RPS compliant in 2010, and 33% by 2020).
- Years of Experience. The Proposer must have at least three (3) years of experience with projects or transactions similar to the task(s) proposed to be performed.
- Completed Projects. The Proposer must have completed at least two (2) projects or transactions similar to the proposed task(s).
- References. The Proposer must provide a minimum of three related references with the following information for each reference - organization, name of contact, phone number of contact, title/role of contact and a description of services provided.
- Financial Requirements. The Proposer must currently have and must have had in the prior two (2) years, a credit rating of at least Baa2/BBB or must supply a guarantee from an organization with such credit rating. If a subcontractor does not possess the requisite credit rating, the Candidate or its guarantor must supply a guarantee for such subcontractor.

## 3. Written Proposal Evaluation

The written proposals will be scored using the following criteria:

Specific Task and Evaluation Criteria	Points
Overall Evaluation	Maximum 15 Points
<p><b>Price</b>  <i>Proposers will be evaluated on the average rate (for all customers) in year one of the contract and the average rate (for all customers) for the length of the contract</i></p>	6
<p><b>Contract Duration</b>  <i>Proposers will be evaluated on the length of the proposed contract. SFPUC seeks a minimum 5-year contract. Contracts with longer terms will receive higher scores</i></p>	3

<p><b>Percentage of Portfolio Renewable</b>  <i>Proposals to incorporate the highest percentage of renewable resources into the portfolio with the goal of meeting CleanPowerSF's program targets</i></p>	<p>6</p>
<p>Task 1: Full Requirements Supply</p> <p><b>Timeline of Renewable Integration</b>  <i>Use of local renewable resources; use of RPS-compliant Resources and bundled Environmental Attributes/Renewable Energy Certificates in meeting CleanPowerSF's prescribed renewable energy requirements.</i></p> <p><i>Renewables mix, as percentage of overall portfolio, by year. Proposals with higher percentages of renewable generation as part of the portfolio will be preferred. Higher points will be awarded to credible proposals that at the earliest date achieve a higher percentage of renewable generation.</i></p> <p><i>Bundled RECs will receive higher scores than unbundled RECs. All proposals must meet existing RPS laws and regulations for compliance.</i></p> <p><b>Rates &amp; Risk</b>  <i>Proposals will be evaluated on comprehensiveness of customer rate class proposals, and rates that meet or beat PG&amp;E prices will receive highest scores; proposed terms for non-performance and contracts that minimize risk to CleanPowerSF shall be preferred.</i></p> <p><b>Energy Supply and Delivery Point</b>  <i>Proposals to provide energy from local sources will receive the highest score. Descending preference will be given to supplies from North Path 15, California and the Western Grid</i></p> <p><i>Generating Resource Specifics: the location, fuel</i></p>	<p>Maximum 30 Points</p> <p>5</p> <p>5</p> <p>5</p>

<p><i>source, and generation technologies that comprise the proposed energy portfolio shall be evaluated. Preference in scoring will be given for proposals that site resources within the City and County of San Francisco. Ranked preference will be assigned as follows: (1) Within the City and County of San Francisco, (2) Within the NP-15 region, (3) Within California, (4) Located outside California with transmission rights to the CAISO controlled grid.</i></p> <p><b>Qualifications</b>  <i>Operational experience of respondent and of key personnel, including a description of similar services provided, recommendations from existing or former clients, years of experience and volume of energy supplied.</i></p> <p><b>Quality and Feasibility of Proposal</b>  <i>Proposals will be evaluated on method of achieving proposed portfolio mix, generation resource mix, use of bundled and unbundled RECs over the contract term, description of hedges and other mechanisms to maintain rate stability, and efforts to use LBE subcontractors.</i></p>	<p>5</p> <p>10</p>
<p><b>Task 2: Development and Construction of Resources</b></p> <p><b>Development of Generation Facilities</b>  <i>Proposals will be evaluated on ability to meet CleanPowerSF’s target goals of 31 MW PV, 72 MW DG, 150 MW Wind.</i></p> <p><i>Timelines for development that achieves online status within 5 years are preferred.</i></p> <p><i>Proposals will be evaluated on the reliability and environmental attributes of proposed power supply, including the anticipated fuel source(s) associated therewith; preference will be given to Proposals that demonstrate supply portfolios with the lowest projected level of total emissions.</i></p>	<p>Maximum 30 Points</p> <p>10</p>

<p><i>Performance guarantees for technologies being proposed and for Proposer's obligations contained within its proposal.</i></p>	
<p><b>Qualifications</b>  <i>Proposals will be evaluated on Proposer's experience with technical specifications and design of generation resources and comprehensiveness and feasibility of proposed plan to develop renewable generation facilities; experience managing and designing Demand Side Management programs, including energy efficiency, conservation, and demand response programs; and efforts to use LBE subcontractors.</i></p>	<p>7</p>
<p><b>Integration of Energy Efficiency and Demand Response</b>  <i>Proposals that achieve 107 MW of Demand Side Management, including energy efficiency and demand response are preferred</i></p> <p><i>Proposals will be evaluated on proposed Evaluation, Measurement, and Verification (EM&amp;V) Protocols, proposed energy efficiency, conservation and demand response programs and projects, including proposed incentive structures, technologies to deploy, and market segments to target.</i></p> <p><i>Quantifiable demand reductions (e.g. energy efficiency savings, conservation, load interruption, demand response, etc.), as demonstrated by the Proposer, will receive strong preference during proposal evaluation. Robust EM&amp;V protocols that provide for meaningful tracking of demand and energy savings will earn higher scores.</i></p>	<p>8</p>
<p><b>Pricing Terms</b>  <i>Financial viability of Proposer and proposed</i></p>	<p>5</p>

<p><i>financing plan, including structuring options for tax purposes. Financing terms will be evaluated for feasibility and duration necessary to recover development of new generation resources, price per kWh for each resource or average generation rate for all proposed new facilities, by year, detailed financing plan detailing how financing flows through rates.</i></p>	
<p><b>Task 3: Customer And Administrative Services</b></p> <p><b>Overall Annual Revenue Requirement</b>  <i>Annual revenue requirement and effect of customer and administrative services on average rate per kWh (customer account services revenue requirement contribution to overall CleanPowerSF rate). Responses with lower overall revenue requirement shall earn higher scores.</i></p> <p><b>Qualifications</b>  <i>Demonstrated experience managing call centers, customer service department, and developing and managing metering data and customer billing.</i></p> <p><b>Quality and Comprehensiveness of Proposal</b>  <i>Detailed plans for interaction with SFPUC call center personnel, detailed plan for interfacing with PG&amp;E billing department to ensure accurate bills, and an annual plan for staffing and managing call center volumes upon program startup; efforts to use LBE subcontractors.</i></p>	<p>Maximum 15 Points</p> <p>5</p> <p>5</p> <p>5</p>

The written proposal scores will then be tabulated and proposers will be ranked starting with the Proposer receiving the highest score, and then continuing with the Proposer receiving the second highest score, and so on.

#### **4. Oral Interview Evaluation and Follow Up Questions**

The Selection Panel may hold oral interviews with up to four of the highest ranked Proposers.<sup>23</sup> The SFPUC will send a letter to all Proposers who are invited to an interview regarding the format of the interview, the scoring criteria to be used during the interview and the composition of the Proposer team to participate in the interview.

The interview evaluation process, if conducted, will consist of a Proposer presentation followed by standard interview questions from the Selection Panel, and may include follow up questions if clarification of Proposer's responses is necessary. The same set of interview questions will be used for all Proposers. Note that the oral interview questions may differ from the written proposal evaluation criteria.

The Selection Panel will proceed to evaluate each Proposer based on each Proposer's presentation and responses.

The oral interview scores will then be tabulated.

#### **5. Tabulating Final Scores**

The scores from the Written Proposal and the Oral Interview will be combined and tabulated using the following overall scoring breakdown:

- |                          |                  |
|--------------------------|------------------|
| 1. Written Proposal      | 90 points        |
| 2. <u>Oral Interview</u> | <u>10 points</u> |

Proposers will be ranked starting with the Proposer receiving the highest total score, then continuing with the Proposer receiving the second highest total score, and so on. The City will proceed to negotiate a contract with the highest-ranked Proposer or Proposers as permitted by the applicable law.

### **VII. AWARD OF AN AGREEMENT**

#### **1. Agreement Preparation**

The SFPUC General Manager will make a recommendation to the Public Utilities Commission that the Contract(s) be awarded to the highest-ranked Proposer(s) with whom the City has negotiated a Contract to perform the requested services.

The City may award a contract to a Proposer to provide all of the services described in this RFP, or a subset of the described services. The City may also issue a follow-up RFP for any necessary services that are not addressed in the Agreement arising from this RFP.

Once the Contract(s) is (are) complete and after obtaining all the necessary City approvals, the Agreement(s) will be executed and certified, and a Notice of Agreement Award will be issued.

---

<sup>23</sup> Should the SFPUC choose to proceed without Oral Interviews, the overall ranking shall be based upon the available 90 points for the written evaluation portion.

## 2. Standard Agreement Language

The successful Proposer may be required to enter into a contract containing provisions substantially in the form of those in the City's model Agreement, attached hereto as Appendix A. Some of these provisions may be required by applicable law or policy and therefore non-negotiable, while others may be negotiable.

## 3. Agreement Administration

Performance of services may be executed in phases. The SFPUC's CCA Director will determine the work to be conducted under each phase and authorize the start of each phase in accordance with the overall agreed upon project schedule.

The successful Proposer is hereby notified that work cannot commence until it receives a written NTP. Any work performed without a NTP will be at the Proposer's own commercial risk.

# **VIII. TERMS AND CONDITIONS**

## 1. Errors and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP, including all appendices. Proposers are to promptly notify the SFPUC, in writing, upon discovery of any ambiguity, discrepancy, omission, or other error in the RFP. All requests for information concerning the RFP must be in writing and directed to Kofo Domingo at [rfp@sfgwater.org](mailto:rfp@sfgwater.org) prior to [insert date]. All inquiries should include the number and name of the RFP. Modifications and clarifications will be made by addenda as specified in this RFP. The City is not obligated to issue addenda in response to any request submitted after the deadline.

## 2. Inquiries Regarding RFP

All requests for information concerning the RFP, whether submitted before or after the pre-submittal conference, must be in writing and directed to Kofo Domingo at [rfp@sfgwater.org](mailto:rfp@sfgwater.org). All inquiries should include the number and title of the RFP. Substantive replies will be memorialized in written addenda to be made part of this RFP. All addenda will be posted on the Contract Administration Bureau webpage at <http://contracts.sfgwater.org>. This RFP will only be governed by information provided through written addenda. With the exception of HRC or City contracting inquiries, no questions or requests for interpretation will be accepted after [insert date].

If any new and/or substantive information is provided in response to questions raised at the pre-submittal conference, it will be memorialized in a written addendum to this RFP and posted on the Contract Administration Bureau webpage at: <http://contracts.sfgwater.org>.

Direct all inquiries (other than inquiries at the pre-proposal conference) concerning administration of this RFP to Kofo Domingo at [rfp@sfgwater.org](mailto:rfp@sfgwater.org). All inquiries should include the number and title of the RFP.



Direct all inquiries (other than inquiries at the pre-proposal conference) concerning HRC certification requirements to the HRC Certification Unit at (415) 252-2500.

Direct all inquiries (other than inquiries at the pre-proposal conference) concerning the HRC LBE Program to Andrew Houston, the HRC Contract Compliance Officer for the SFPUC at (415) 551-4335].

For questions concerning HRC certification requirements for equal benefits Proposers should refer to the HRC website at <http://sfgov.org/sfhumanrights>.

Direct all inquiries regarding business tax registration procedures to the Tax Collector's Office at (415) 554-4400.

### **3. Objections to RFP Terms**

Should a proposer object on any ground to any provision or legal requirement set forth in this RFP, the proposer must, not more than ten (10) calendar days after the RFP is issued, provide written notice to the SFPUC setting forth with specificity the grounds for the objection. The failure of a proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

### **4. Interpretation and Addenda/Change Notices**

Any interpretation of, or change in, the RFP will be made by addendum and shall become a part of the RFP and of any Agreement awarded. Change Notices in the form of Addenda will be posted on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>.

The SFPUC will make reasonable efforts to post in a timely manner any modifications to the RFP on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>.

Notwithstanding this provision, the Proposer shall be responsible for ensuring that its proposal reflects any and all addenda posted by the SFPUC prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that the Proposer check the SFPUC Contract Administration Bureau webpage before submitting its proposal to determine if the Proposer has read all posted addenda. The SFPUC will not be responsible for any other explanation or interpretation.

### **5. Term of Proposal**

By submitting a proposal for consideration, the Proposer agrees that the proposed services and prices are valid for 60 calendar days from the proposal due date, and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

### **6. Revision of Proposal**

Notwithstanding the forgoing, a Proposer may withdraw or revise a proposal on the Proposer's own initiative at any time before the deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original proposal. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal or the commencement of a revision process extend the proposal due date for any Proposer.

At any time during the proposal evaluation process, the SFPUC may require a Proposer to provide oral or written clarification of its proposal. The SFPUC reserves the right to make an award without receiving or accepting any clarifications of proposals received.

## **7. Errors and Omissions in Proposal**

Failure by the SFPUC to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the Proposer from full compliance with the specifications of the RFP or any Agreement awarded pursuant to the RFP.

## **8. Financial Responsibility**

The SFPUC accepts no financial responsibility for any costs incurred by a Proposer in either responding to this RFP, participating in oral presentations, or negotiating an Agreement with the SFPUC. The proposals in response to the RFP will become the property of the SFPUC and may be used by the SFPUC in any way it deems appropriate.

## **9. Proposer's Obligations Under the Campaign Reform Ordinance**

Proposers must comply with Section 1.126 of the San Francisco Campaign and Governmental Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations for such contract until (1) the termination of negotiations for such contract; or (2) three months have elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

If a Proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Proposer is prohibited from making contributions to:

- The officer's re-election campaign;
- A candidate for that officer's office; and
- A committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a Proposer approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential Proposer about a contract. The negotiation period ends when a contract is awarded or not awarded to the Proposer. Examples of initial contacts include: (i) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (ii) a city officer or employee contacts a Proposer to propose that the Proposer apply for a contract. Inquiries for information about a particular

contract, requests for documents relating to a RFP, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. Criminal: Any person who knowingly or willfully violates Section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. Civil: Any person who intentionally or negligently violates Section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. Administrative: Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

## **10. Sunshine Ordinance**

In accordance with San Francisco Administrative Code Section 67.24(e), Proposers' bids, responses to RFP's and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or entity's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

## **11. Public Access to Meetings and Records**

If a Proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City-funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Proposer must comply with Chapter 12L. The Proposer must include in its proposal: (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Proposer's meetings and records, and (2) a summary of all complaints concerning the Proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

## **12. Reservations of Rights by the City**

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue an RFP;

4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
5. Procure any materials, equipment or services specified in this RFP by any other means; or
6. Determine that no project will be pursued.

### **13. No Waiver**

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a Proposer to observe any provision of this RFP.

### **14. Environmental Review**

The City will not enter into any agreement in connection with the project until there has been complete compliance with CEQA and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31). The City intends to identify the actions and activities that would be necessary to enter into the project and thereby facilitate meaningful environmental review. If any part of the project is found to cause significant adverse impacts that have not been mitigated, the City retains absolute discretion to: (1) modify the activities to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts, as identified upon environmental evaluation in compliance with CEQA and the City's Environmental Quality Regulations, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the Project outweigh otherwise unavoidable significant adverse impacts.

### **15. Project Approvals**

All permits, consents, agreements and regulatory approvals required to carry out the Supplier's responsibilities under the contract, including all necessary agreements and approvals to use any site (whether or not the site is owned or controlled by the City) shall be obtained and maintained by the Supplier at its sole cost. The City makes no representations or warranties relative to the availability or the likelihood of obtaining any such approvals or consents. The Supplier shall comply with all applicable laws at its sole cost.

## **IX. HUMAN RIGHTS COMMISSION (HRC) REQUIREMENTS**

### **1. Local Business Enterprise Requirements – Chapter 14B Requirements**

Proposers should be aware of the following policies and requirements in connection with the Local Business Enterprise (LBE) and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code.

Rating bonuses do not apply to the procurement of services under this RFP because the anticipated Agreement amount is in excess of \$10 Million.

Proposers should make good faith efforts to select LBE subcontractors as set forth in San Francisco Administrative Code Chapter 14B. Each Proposer responding to this solicitation shall document in its response the efforts it has made to select LBE subcontractors and shall identify any LBE subcontractors solicited and selected to be used in performing the contract. The successful proposer will be expected to meet an appropriate subcontracting goal as determined in contract negotiations.

For each LBE identified as a subcontractor, the response must specify the value of the participation as a percentage of the total value of the goods and/or services to be procured and the type of work to be performed. LBEs identified as subcontractors must be certified with the San Francisco Human Rights Commission at the time the proposal is submitted, and must be contacted by the Proposer (prime contractor) prior to listing them as subcontractors in the proposal.

During the term of the contract, any failure to comply with the level of LBE subcontractor participation specified in the contract shall be deemed a material breach of contract. Subconsulting goals can only be met with HRC-certified LBEs located in San Francisco.

If you have any questions concerning the HRC Forms, you may call [insert name and phone number of HRC Contract Compliance Officer for the SFPUC] [e.g., Ellise Nicholson at (415) 554-3104].

#### **a. LBE FORMS**

All response packages submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Attachment 2: Form 2A - HRC Contract Participation; Form 3 - HRC Non-Discrimination Affidavit; Form 4 - HRC Joint Venture Form (if applicable), and Form 5 - HRC Employment Form. If these forms are not returned with the response package, the response package may be determined to be non-responsive and may be rejected.

Failure to complete, sign and submit each of the required HRC/LBE forms may result in the response package being deemed non-responsive and rejected.

Proposers must submit one (1) original and one (1) copy of the above forms with their proposal. The forms should be submitted in a separate, sealed envelope labeled “HRC/LBE Forms – [insert Agreement No. and RFP Title] [e.g., CS-804, Engineering Services, Alameda Siphon No. 4 by [Proposer’s Name.]]”

The City strongly encourages proposals from qualified LBEs. Certification applications may be obtained by calling HRC at (415) 252-2500 or by visiting the HRC website at <http://sfgov.org/sfhumanrights>.

## 2. Chapters 12B and 12C Requirements (Equal Benefits)

Effective June 1, 1997, Chapter 12B of the San Francisco Administrative Code was amended to prohibit the City from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. All proposing firms should be in the process of becoming compliant with Chapter 12B if not already compliant. The HRC has developed rules of procedure and various resource materials explaining the equal benefits program. These materials are available by calling the HRC Equal Benefits Section at (415) 252-2500 or by visiting the HRC website at <http://.sf.gov.org/sfhumanrights>.

All response packages submitted must include HRC Form 12B-101.

HRC/12B & 12C Form: One (1) original and one (1) copy of HRC form (Form No. 12B-101) in a separate sealed envelope labeled “HRC/12B Forms - [insert Agreement No. and RFP Title] [e.g., CS-804, Engineering Services, Alameda Siphon No. 4 by [Proposer’s Name.]]”

If you have any questions concerning the HRC Forms, you may call the HRC Equal Benefits Unit at (415) 252-2500.

## X. ADDITIONAL CITY REQUIREMENTS

### 1. Insurance Requirements

[Requires additional input from City Risk Manager]

The City/SFPUC may at its sole discretion amend or change these insurance requirements at anytime.

Without in any way limiting Proposer’s liability pursuant to the “Indemnification” section of the Agreement (Appendix C), Proposer(s) will be required to maintain in force, during the full term of any Agreement, insurance in the following amounts and coverage:

1. Worker’s Compensation Insurance, including Employer’s Liability limits not less than [insert dollar amount] [e.g., default is \$1,000,000] each accident, injury or illness.
2. Commercial General Liability Insurance with limits not less than [insert dollar amount] [e.g., default is \$1,000,000] each occurrence, [insert dollar amount] [e.g., default is \$2,000,000] aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
3. Commercial Automobile Liability Insurance with limits not less than [insert dollar amount] [e.g., \$1,000,000] each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-owned and Hired auto coverage, as applicable.

[Proposers that must be State-licensed as professionals to perform services, i.e., architects, engineers, certified public accountants, etc., shall provide professional liability insurance, also known as errors-and-omissions coverage. If the Proposer is such a professional, then include (4). If the Proposer is not such a professional, then omit (4).]

1. Professional liability insurance with limits not less than [insert dollar amount] [e.g., \$2,000,000] each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

1. Name as Additional Insured the City and County of San Francisco, the San Francisco Public Utilities Commission, and their respective officers, agents and employees;
2. That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought; and
3. Approval of Contractor's insurance by the City will not relieve or decrease the liability of Contractor under this Agreement. The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase.

Proposer hereby agrees to waive subrogation on the Worker's Compensation policy which any insurer of Proposer may acquire from Proposer by virtue of the payment of any loss. Proposer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Proposer, its employees, agents and subcontractors.

All policies shall provide thirty (30) days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

Should any of the required insurance be provided under a claims-made form, Proposer shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

Before commencing any operations under this Agreement, Proposer shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and

that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

[If the Proposer is going to use a subcontractor to perform the job under the Agreement, then include the following subparagraph (i.) in the Agreement.]

If a subcontractor will be used to complete any portion of this agreement, the Proposer shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Proposer listed as additional insureds.

## **2. Standard Agreement**

Proposer(s) selected for negotiations may be required to enter into a contract containing provisions substantially in the form of those in the City's model Agreement, attached hereto as Appendix C. Some of these provisions may be required by applicable law or policy and therefore non-negotiable, while others may be negotiable.

Proposers are urged to pay special attention to the requirements of Administrative Code Chapters 12B and 12C, Nondiscrimination in Contracts and Benefits, (§34 in the attached Agreement); the Minimum Compensation Ordinance (§43 in the attached Agreement); the Health Care Accountability Ordinance (§44 in the attached Agreement); the Earned Income Credit (§32 in the attached Agreement); the First Source Hiring Program (§45 in the attached Agreement); and applicable conflict of interest laws (§23 in the attached Agreement), as set forth in Sections 3, 4, 5, 6, 7 below.

## **3. Nondiscrimination in Contracts and Benefits**

As outlined above, the successful proposer may be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the HRC's website at <http://sfgov.org/sfhumanrights>.

## **4. Minimum Compensation Ordinance for Employees (MCO)**

The successful proposer may be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in S.F. Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements. For the contractual requirements of the MCO, see §43 "Requiring Minimum Compensation for Covered Employees" in the Agreement.



For the amount of hourly gross compensation currently required under the MCO, see <http://sfgov.org/olse/mco>. Note that this hourly rate may increase on January 1 of each year and that contractors will be required to pay any such increases to covered employees during the term of the contract.

Additional information regarding the MCO is available on the City website at <http://sfgov.org/olse/mco>.

## **5. Health Care Accountability Ordinance (HCAO)**

The successful proposer may be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in S.F. Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at [www.sfgov.org/olse/hcao](http://www.sfgov.org/olse/hcao).

## **6. First Source Hiring Program (FSHP)**

If the contract is for more than \$50,000, then the First Source Hiring Program (Admin. Code Chapter 83) may apply. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry-level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at [http://www.onestopsf.org/employers\\_first\\_source.html](http://www.onestopsf.org/employers_first_source.html) and from the First Source Hiring Administrator, (415) 401-4960.

## **7. Signature Requirements**

An unsigned or improperly signed proposal will be rejected. A proposal may be signed by an agent of the Proposer if he/she is properly authorized by a power of attorney or equivalent document submitted to the City prior to the submission of the proposal or with the proposal to bind the Proposer to the proposal.

The proposal may be modified after its submission by withdrawing and resubmitting the proposal prior to the time and date specified for offer submission. Modification offered in any other manner, oral or written, will not be considered.

A Proposer may withdraw his/her offer by submitting a written request for its withdrawal to the City, signed by the Proposer in accordance with the first paragraph above. The Proposer may, therefore, submit a new proposal prior to the proposal submission time.

All proposals submitted may be subject to negotiation by the City prior to an award of contract.

## 8. Business Tax Registration

In accordance with San Francisco City Ordinance 345-88, all vendors conducting business with the City are required to maintain a valid business tax registration number. Agreements will not be awarded to the selected Proposer unless business tax registration fees are paid in full by the time the Agreement is awarded. Proposer may contact the Tax Collector's office at 415-554-4470 to confirm that business tax registrations fees have been paid in full. Each selected Proposer must provide a taxpayer ID. If not previously filed, an IRS Form W-9 must be submitted either by fax or mail to:

Purchasing Department  
City Hall, Room 430  
San Francisco, CA 94102-4685  
415-554-6718

## 9. Conflicts of Interest

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

### *OBLIGATIONS*

It is the obligation of the Proposer as well as their Subconsultants to determine whether or not participation in that contract constitutes a conflict of interest. While the SFPUC staff maintains records regarding award and execution of contracts, it does not have access to specific information concerning which entities, partners, sub-consultants or team members perform specific work on these contracts. A conflict of interest or an unfair advantage may exist without any knowledge of the SFPUC. The database of our records concerning work performed by various sub-consultants is available for reference to consultants making their own determination of potential conflicts. This information should not be relied upon as either comprehensive or indisputable. Final determination of the potential for conflict must be made by the Proposers. A court makes the final determination of whether an actual conflict exists. The guidelines below address conflicts under the aforementioned laws but there are other laws that affect qualifications for a contract.

**WORK**

There are many phases of work pertaining to SFPUC contracts. Potential conflicts arise out of progressive participation in various phases of that work. Set forth below are general guidelines regarding when participation in a specific phase of work may create a conflict. Because an actual determination regarding whether a conflict exists depends upon the specific facts of each situation, the general guidelines set forth below should be treated only as a starting point. A Proposer should consult with their legal counsel to determine whether a potential conflict exists.

1. **RFI/RFQ/RFP/Bid Documents.** Any entity that participates in the development of any of these documents has participated in “making the contract” for the work. For these purposes “participating in making” has the same meaning as under Government Code Section 1090 and the term “entity” includes any parent, subsidiary or other related business.
2. **General Program Management Services.** Since these advisory services necessarily assist in general definitions of the program and projects, conflict would likely exist in participation in the design phase of any project.
3. **Preplanning.** Participation in preplanning work, which may include the needs assessment report, since it is an initial phase, would likely be limited only by previous participation in preparation of RFI/RFQ/RFP or bid documents.
4. **Planning.** The planning phase of any project establishes the facts pertaining to the project and possible options for consideration. This phase typically does not result in the making of any contract.
  - a) **Alternative Analysis Report.** This phase proposes to decision-makers the various alternatives in project scope, cost, schedule and environmental impact necessary to make a determination of the proper project. Firms may have a conflict of interest in subsequent design work if they participated in the decision-making process of selecting an alternative.
  - b) **Conceptual Engineering Report.** This document defines the project and shapes the design contract. Participation in this phase may likely be in conflict with any future design services.
5. **Environmental Review.** Similar to the planning phase, this phase of work gathers information from other sources resulting in a definition of the project for the purposes of reviewing the environmental effects of the work. Firms participating in environmental review would likely not have a conflict in participating in subsequent phases.
6. **Final Engineering Design.** Documents produced under this phase constitute the definition of the construction contract. Participation in this phase would likely be in conflict with participation in any subsequent phases, such as construction management or general construction.
7. **Construction Management.** This work consists of review, assessment and recommendation for actions based on interpretation of contract documents. No firm under one contract can

review any of its own work performed under another contract. Conflicts would likely arise had any firm participated in either preparation of final engineering design or any documents enumerated in a contract for construction or documents the SFPUC requires a Proposer to rely on in the preparation of their bid.

8. **Construction.** It is unlikely that participation in construction contracts would result in conflicts on subsequent contracts. Restrictions on participation in construction contracts may be stipulated in other federal, state or local laws.
9. **General.** Work associated with gathering, assessing, reviewing technical data such as geotechnical investigations, site surveys, condition assessments would likely have conflicts with other work only if the firms were in a position to review their own work.

### ***CONSULTATION WITH COUNSEL***

The SFPUC strongly advises any proposing/bidding firm to consult with their legal counsel to determine whether or not a conflict of interest exists. It is the responsibility of the proposing/bidding firm to make that determination.

## **XI. PROTEST PROCEDURES**

### **A. Protest of Non-Responsiveness Determination**

After receipt of proposals, the SFPUC, with the assistance of HRC, will initially review all proposals for responsiveness, and will notify all non-responsive Proposers with a Notice of Non-Responsiveness. Within five (5) working days of the SFPUC's issuance of a Notice of Non-Responsiveness, any Proposer that has submitted a proposal and believes that the City has unfairly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the SFPUC on or before the fifth (5<sup>th</sup>) working day following the SFPUC's issuance of the Notice of Non-Responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the SFPUC to determine the validity of the protest.

### **B. Protest of Agreement Award**

As soon as the Proposer rankings are finalized, the SFPUC will post final rankings on the Contract Administration Bureau webpage at:  
<http://contracts.sfwater.org>.

Within five (5) working days of the SFPUC's posting of the Proposers ranking on the SFPUC Contract Administration Bureau webpage, any Proposer that has submitted a responsive proposal and believes that the City has unfairly selected another Proposer for award may submit a written notice of protest.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the City to determine the validity of the protest. All protests must be received by the SFPUC on or before the fifth (5<sup>th</sup>) working day following the SFPUC's posting of the Proposers ranking.

C. Delivery of Protests

If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

San Francisco Public Utilities Commission  
Contract Administration Bureau  
Attn: Kofo Domingo  
RE: CS-XXX Electricity Supply Services for Community Choice Aggregation Program  
1155 Market Street, 9th Floor  
San Francisco, CA 94103

**Appendix XX**  
**Potential Solar Generation Project Description**  
**and Associated Capacity in kW AC**

Description	kW AC
<b>Near-Term Potential Sites</b>	
Sunset Reservoir - North Basin	4,500
Chinatown Public Health Center	21
Muni Ways & Means - 700 Pennsylvania	101
Muni Woods - 1095 Indiana Street	83
Davies Symphony Hall	171
City Hall	80
<b>Long Term Potential Sites</b>	
Stanford Heights Reservoir	1,040
SFGH Parking Garage - 24th & Utah	400
Bus Washing Facility 15th & Harrison	800
Tesla, Ground-mounted	4,000
Sunol, Ground-mounted	20,000
University Mound - North Basin	1,600
Pulgas Reservoir	2,080
Sutro Reservoir	1,600
Hunters Point (Parcel E) Ground-mounted	8,000
<b>Total</b>	<b>44,476</b>

DRAFT