



**CITY OF SAN DIEGO**  
**PURCHASING & CONTRACTING DEPARTMENT**  
**1200 Third Avenue, Suite 200**  
**San Diego, CA 92101-4195**

**REQUEST FOR PROPOSALS (RFP)/CONTRACT (COVER SHEET)**

**Consultant:** Provide the City of San Diego a Feasibility Study for a Community Choice Aggregate (CCA)

**Solicitation Number:** 10074083-16-A

**Solicitation Issue Date:** April 11, 2016

**Proposal Due Date and Time (Closing Date):** 2:00 p.m. Pacific Time on June 3, 2016

**Contract Term:** Five (5) years from Effective Date, as defined in Article I, Section 1.2 of the City’s General Contract Terms and Provisions

**City Contact:** Maureen Medvedyev, Principal Procurement Specialist, MMedvedyev@sandiego.gov

**Mandatory Pre-Proposal Conference:** April 27, 2016 at 9 a.m. at Purchasing and Contracting Department, 1200 3rd Avenue, Suite 200, San Diego, CA 92101

**Questions and Comments Due:** No later than May 2, 2016 at 1:30 p.m.

**The City’s Standard Payment Terms are Net 30 Days.** Proposers may offer other payment terms (e.g., 2% 20 days) but such terms will not be considered in making the award decision. If different terms are offered, the City retains the option of making payment(s) based on these terms.

Discounted terms offered: \_\_\_\_\_% \_\_\_\_\_ Days.

**Duration of Offer:** By submitting a proposal, the proposer guarantees that the offer is firm for ninety (90) calendar days commencing the day following the Closing Date. Proposer agrees to accept a resulting contract subject to the terms and conditions stated herein. If an award is not made during that period, proposer’s offer shall automatically extend for another ninety (90) calendar days unless the proposer indicates otherwise in writing thirty (30) calendar days prior to the end of the first ninety (90) calendar day period to the City Contact.

Proposer \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_

Telephone No. \_\_\_\_\_

E-Mail \_\_\_\_\_

**IF PROPOSER’S OFFER IS ACCEPTED BY THE CITY, THIS IS THE CONTRACT.** Proposer is required to sign this document and return two (2) originals and four (4) copies of their proposal in sealed envelopes or cartons to the City Contact. Proposer shall also include an electronic copy of their proposal. Proposer agrees to furnish and deliver all goods and/or provide all services set forth or otherwise identified above subject to the terms and conditions specified herein. An original signature below is required. By signing below, the signer declares under penalty of perjury that she/he is authorized to sign this document and bind the proposer to the terms of this Contract.

Signature of Proposer’s Authorized Representative	Signature of the City of San Diego Purchasing Agent	Approved as to Form City Attorney
_____	_____	_____
Print Name	Print Name	Print Name
_____	_____	_____
Title	Title	Title
_____	_____	_____
Signature	Signature	Signature
_____	_____	_____
Date	Date	Date

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### FORMS

Contractor Standards Pledge of Compliance

Equal Opportunity Contracting forms including the Work Force Report and Contractors Certification of Pending Actions

### ATTACHMENTS

General Contract Terms and Provisions Applicable To Goods, Services, and Consultant Contracts

Exhibit A.....Protect Our Communities (POC) Report

Exhibit B.....Sustainable Energy Advisory Board (SEAB) Guiding Principles

## I. PROPOSAL SUBMISSION AND REQUIREMENTS

### A. PROPOSAL SUBMISSION

**1. Timely Proposal Submittal.** Proposals must be submitted as described herein in a sealed envelope to the Purchasing & Contracting Department (P&C) located at 1200 Third Avenue, Suite 200, San Diego, CA 92101. The Solicitation Number and Closing Date must be referenced in the lower left-hand corner of the outside of the envelope.

**1.1 Proposal Due Date.** Proposals must be received by the P&C reception desk prior to Closing Date indicated on the Cover Sheet. Faxed proposals will not be accepted. The City may consider a proposal that was mailed before the Closing Date if the City finds that acceptance of the proposal is in the City's best interests and there is no possibility of collusion or fraud in the procurement process.

**1.2 Pre-Proposal Conference.** Pre-proposal conference information is noted on the Cover Sheet.

**1.2.1** Reserved.

**1.2.2** Proposers are required to attend the pre-proposal conference. Proposer's failure to attend will result in disqualification.

**1.3 Site Inspection.** No site inspection will be held for this RFP.

**1.3.1** Reserved.

**1.3.2** Reserved.

**1.4 Questions and Comments.** Written questions and comments must be electronically-mailed (e-mailed) to the City Contact identified on the Cover Sheet no later than the date specified on the Cover Sheet. Only written communications relative to the procurement shall be considered. E-mail is the only acceptable method for submission of questions. It is incumbent upon proposers to verify that the City has received their questions and/or comments. All questions will be answered in writing. The City will distribute questions and answers, without identification of the inquirer(s), to all proposers who are on record as having received this RFP. No oral communications can be relied upon for this RFP. Addenda will be issued addressing questions or comments that are determined by the City to cause a change to any part of this RFP.

**1.5 Contact with City Staff.** Unless otherwise authorized herein, proposers who are considering submitting a proposal in response to this RFP, or who submit a proposal in response to this RFP, are prohibited from communicating with City staff or evaluation committee members about this RFP from the date this RFP is issued until a contract is awarded.

**2. Proposal Format and Organization.** Unless electronically submitted, all proposals should be securely bound and must include the following items:

**Tab A - Submission of Information and Forms.** Proposers shall submit the following completed forms and provide the following information with their proposals:

**2.1** The completed and executed Cover Sheet.

**2.2** Exceptions requested by proposer, if any. If a proposer requests an exception, or exceptions, to the Specifications or the City's Contract, including the City's General Contract Terms and Provisions, the proposer must present written factual or legal justification for the request. Any exceptions to the Contract that have not been accepted by the City in writing are deemed rejected. The City, in its sole discretion, may accept some or all of proposer's exceptions, reject proposer's exceptions and deem the bid non-responsive, or award the Contract without proposer's proposed exceptions. The City will not consider exceptions addressed elsewhere in the proposal.

**2.3** The Contractor Standards Pledge of Compliance Form.

**2.4** Equal Opportunity Contracting Program (EOCP) Goods and Services Contractor Requirements.

**2.5** Reserved.

**2.6** Reserved.

**2.7** Reserved.

**2.8** Reserved.

**2.9** Reserved.

**Tab B - Executive Summary and Responses to Specifications.** Proposer shall provide the following information in the order outlined below:

**2.10** A title page.

**2.11** A table of contents.

**2.12** An executive summary, limited to one typewritten page, that provides a high-level description of the proposer's ability to meet the requirements of the RFP and the reasons the proposer believes itself to be best qualified to provide the identified services.

**2.13** Responses to the Specifications

**Tab C - Cost/Price Proposal (if applicable).** Proposers shall submit a detailed cost proposal.

**3. Proposal Review.** Proposers are responsible for carefully examining the RFP, the Specifications, this Contract, and all documents incorporated into the Contract by reference before submitting a proposal. If selected for award of contract, proposer shall be bound by same unless the City has accepted proposer's exceptions, if any, in writing.

**4. Addenda.** The City may issue addenda to this RFP as necessary. All addenda are incorporated into the Contract. The proposer is responsible for determining whether addenda were issued prior to a proposal submission. Failure to respond to or properly address addenda may result in rejection of a proposal.

**5. Quantities.** The estimated quantities provided by the City are not guaranteed. These quantities are listed for informational purposes only. Quantities vary depending on the demands of the City. Any variations from the estimated quantities shall not entitle the proposer to an adjustment in the unit price or any additional compensation.

**6. Quality.** Unless otherwise required, all goods furnished shall be new and the best of their kind.

**6.1 Items Offered.** Proposer shall state the applicable trade name, brand, catalog, manufacturer, and/or product number of the required good, if any, in the proposal.

**6.2 Brand Names.** Any reference to a specific brand name in a solicitation is illustrative only and describes a component best meeting the specific operational, design, performance, maintenance, quality, or reliability standards and requirements of the City. Proposer may offer an equivalent or equal in response to a brand name referenced (Proposed Equivalent). The City may consider the Proposed Equivalent after it is subjected to testing and evaluation which must be completed prior to the award of contract. If the proposer offers an item of a manufacturer or vendor other than that specified, the proposer must identify the maker, brand, quality, manufacturer number, product number, catalog number, or other trade designation. The City has complete discretion in determining if a Proposed Equivalent will satisfy its requirements. It is the proposer's responsibility to provide, at their expense, any product information, test data, or other information or documents the City requests to properly evaluate or demonstrate the acceptability of the Proposed Equivalent, including independent testing, evaluation at qualified test facilities, or destructive testing.

**7. Modifications, Withdrawals, or Mistakes.** Proposer is responsible for verifying all prices and extensions before submitting a proposal.

**7.1 Modification or Withdrawal of Proposal Before Proposal Opening.** Prior to the Closing Date, the proposer or proposer's authorized representative may modify or withdraw the proposal by providing written notice of the proposal modification or withdrawal to the City Contact. While e-mail is permissible, telephonic withdrawals or modifications are not.

**7.2 Proposal Modification or Withdrawal of Proposal After Proposal Opening.** Any proposer who seeks to modify or withdraw a proposal because of the proposer's inadvertent computational error affecting the proposal price shall notify the City Contact identified on the Cover Sheet no later than three working days following the Closing Date. The proposer shall provide worksheets and such other information as may be required by the City to substantiate the claim of inadvertent error. Failure to do so may bar relief and allow the City recourse from the proposal surety. The burden is upon the proposer to prove the inadvertent error. If, as a result of a proposal modification, the proposer is no longer the apparent successful proposer, the City will award to the newly established apparent successful proposer. The City's decision is final.

**8. Incurred Expenses.** The City is not responsible for any expenses incurred by proposers in participating in this solicitation process.

**9. Public Records.** By signing this proposal, the proposer acknowledges that any information submitted in response to this RFP is a public record subject to disclosure unless the City determines that a specific exemption in the California Public Records Act (CPRA) applies. If the proposer submits information clearly marked confidential or proprietary, the City may protect such information and treat it with confidentiality to the extent permitted by law. However, it will be the responsibility of the proposer to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the CPRA should the City choose to withhold such information. General references to sections of the CPRA will not suffice. Rather, the proposer must provide a specific and detailed legal basis, including applicable case law, that clearly establishes the requested information is exempt from the disclosure under the CPRA. If the proposer does not provide a specific and detailed legal basis for requesting the City to withhold proposer's confidential or proprietary information at the time of proposal submittal, City will release the information as required by the CPRA and proposer will hold the City, its elected officials,

officers, and employees harmless for release of this information. It will be the proposer's obligation to defend, at proposer's expense, any legal actions or challenges seeking to obtain from the City any information requested under the CPRA withheld by the City at the proposer's request. Furthermore, the proposer shall indemnify and hold harmless the City, its elected officials, officers, and employees from and against any claim or liability, and defend any action brought against the City, resulting from the City's refusal to release information requested under the CPRA which was withheld at proposer's request. Nothing in the Contract resulting from this proposal creates any obligation on the part of the City to notify the proposer or obtain the proposer's approval or consent before releasing information subject to disclosure under the CPRA.

**10. Right to Audit.** The City Auditor may access proposer's records as described in San Diego Charter section 39.2 to confirm contract compliance.

## **B. EVALUATION OF PROPOSALS**

**1. Award.** The City shall evaluate each responsive proposal to determine which proposal offers the City the best value consistent with the evaluation criteria set forth herein. The proposer offering the lowest overall price will not necessarily be awarded a contract.

**2. Sustainable Materials.** Consistent with Council Policy 100-14, the City encourages use of readily recyclable submittal materials that contain post-consumer recycled content.

### **3. Evaluation Process.**

**3.1 Process for Award.** A City-designated evaluation committee (Evaluation Committee) will evaluate and score all responsive proposals. The Evaluation Committee may require proposer to provide additional written or oral information to clarify responses. Upon completion of the evaluation process, the Evaluation Committee will recommend to the Purchasing Agent that award be made to the proposer with the highest scoring proposal.

**3.2 Optional Interview/Oral Presentation.** The City may require proposers to interview and/or make an oral presentation.

### **3.3 Reserved.**

**3.4 Discussions/Negotiations.** The City has the right to accept the proposal that serves the best interest of the City, as submitted, without discussion or negotiation. Contractors should, therefore, not rely on having a chance to discuss, negotiate, and adjust their proposals. The City may negotiate the terms of a contract with the winning proposer based on the RFP and the proposer's proposal, or award the contract without further negotiation.

**3.5 Inspection.** The City reserves the right to inspect the proposer's equipment and facilities to determine if the proposer is capable of fulfilling this Contract. Inspection will include, but not limited to, survey of proposer's physical assets and financial capability. Proposer, by signing the proposal agrees to the City's right of access to physical assets and financial records for the sole purpose of determining proposer's capability to perform the Contract. Should the City conduct this inspection, the City reserves the right to disqualify a proposer who does not, in the City's judgment, exhibit the sufficient physical and financial resources to perform this Contract.

**3.6 Evaluation Criteria.** The following elements represent the evaluation criteria that will be considered during the evaluation process:

- A. Responsiveness to the RFP. 5
1. Proposer provided all required forms and responses, organized in the order and format described in this RFP.
  2. Proposer understands the intent, scope, and ability to deliver as exhibited in the Executive Summary.
- B. Responses to the Specifications. 35
1. Demonstrates knowledge and understanding of the scope and exhibits the ability to identify approaches that will efficiently meet the City's needs regarding Community Choice Aggregation.
  2. Proposal details method to accomplish the work, including technical and management considerations. Tasks and approach are clearly described, and the staff performing tasks are identified.
  3. Demonstrates creativity and innovation in approach.
  4. Identify methods that the proposer will use to ensure quality control as well as budget and schedule control for the scope of work.
  5. Any potential problems or risks that are likely to be encountered are identified and possible solutions given.
- C. Qualifications and Experience. 40
1. Demonstrates direct experience within and understanding of the California energy and electrical markets, including relevant legislation and regulations applicable to CCA and its major participants: investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other key market players.
  2. Resumes of key personnel (management and technical) committed to the project, demonstrating strengths of the proposer's team. Possess all licenses and professional credentials relevant to performing services as specified under this RFP.
  3. Demonstrates an understanding of the CCA formation process in California including statutory and regulatory requirements and best practices. Proposer shall have experience in customer data requests and analysis.

MAXIMUM  
EVALUATION  
POINTS

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- 4. Demonstrates experience in resource planning, energy procurement, rate setting/design and sensitivity analysis including anticipated rate impacts related to varying levels of renewable energy procurement and local renewable project/program development, as well as energy efficiency and demand reduction program implementation.
- 5. Demonstrates experience in California energy compliance relevant to performing services as it relates to CCA.

D. Cost.	5
E. Optional Oral Interview/ Presentation.	15

SUBTOTAL MAXIMUM EVALUATION POINTS:	100
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F. Participation by Small Local Business Enterprise (SLBE) or Emerging Local Business Enterprise (ELBE) Firms.*	12
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FINAL MAXIMUM EVALUATION POINTS INCLUDING SLBE/ELBE:	112
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\*The City shall apply a maximum of an additional 12 points to the proposer’s final score for SLBE or ELBE participation. Refer to Equal Opportunity Contracting Program Form.

**C. ANNOUNCEMENT OF AWARD**

**1. Award of Contract.** The City will inform all proposers of its intent to award a Contract in writing.

**2. Obtaining Proposal Results.** No solicitation results can be obtained until the City announces the proposal or proposals best meeting the City’s requirements. Proposal results may be obtained by: (1) e-mailing a request to the City Contact identified on the Cover Sheet or (2) visiting the P&C e-procurement system to review the proposal results. To ensure an accurate response, requests should reference the Solicitation Number. Proposal results will not be released over the phone.

**3. Multiple Awards.** City may award more than one contract by awarding separate items or groups of items to various proposers. Awards will be made for items, or combinations of items, which result in the lowest aggregate price and/or best meet the City’s requirements. The additional administrative costs associated with awarding more than one Contract will be considered in the determination.

**D. PROTESTS**

The City’s protest procedures are codified in Chapter 2, Article 2, Division 30 of the San Diego Municipal Code (SDMC). These procedures provide unsuccessful proposers with the opportunity to challenge the City’s determination on legal and factual grounds. The City will not consider or otherwise act upon an untimely protest.



## **E. SUBMITTALS REQUIRED UPON NOTICE AWARD**

The successful proposer is required to submit the following documents to P&C **within ten (10) business days** from the date on the Notice of Intent to Award letter:

**1. Insurance Documents.** Evidence of all required insurance, including all required endorsements, as specified in Article VII of the General Contract Terms and Provisions.

**2. Taxpayer Identification Number.** Internal Revenue Service (IRS) regulations require the City to have the correct name, address, and Taxpayer Identification Number (TIN) or Social Security Number (SSN) on file for businesses or persons who provide goods or services to the City. This information is necessary to complete Form 1099 at the end of each tax year. To comply with IRS regulations, the City requires each Contractor to provide a Form W-9 prior to the award of a Contract.

**3. Business Tax Certificate.** Unless the City Treasurer determines a business is exempt, all businesses that contract with the City must have a current business tax certificate.

**4. Reserved.**

**5. Reserved.**

**6. Reserved.**

The City may find the proposer to be non-responsive and award the Contract to the next highest scoring responsible, responsive proposer if the apparent successful proposer fails to timely provide the required information or documents.

## II. SPECIFICATIONS

### A. PROJECT SUMMARY

The City of San Diego (City) is requesting proposals for a Community Choice Aggregation (CCA) feasibility study. This study shall: (1) determine to what extent a CCA will help achieve the City's renewable energy policy, outlined in the recently adopted Climate Action Plan (CAP), (2) identify and provide actionable solutions to any potential barriers to CCA implementation, and (3) provide option(s) as to how a City CCA could be successfully implemented.

The CAP includes a goal to reach 100 percent renewable energy Citywide by 2035, and discusses a CCA program as a potential mechanism to reach this goal. Included in the CAP Supporting Measures is a requirement to "Complete a citywide Community Choice Aggregation Feasibility Study, which would include timelines for implementation and analyze potential costs." The study proposed in this RFP is in support of this measure. Further information regarding the City's CAP can be found at [www.sandiego.gov/sustainability](http://www.sandiego.gov/sustainability).

Ultimately, the City seeks to understand the feasibility of CCA, including various options for development and implementation, as well as potential costs, risks, and benefits.

### B. BACKGROUND

#### 1. Community Choice Aggregation

State legislation regarding CCAs allows local governments or groups of local governments to procure electricity on behalf of customers within their jurisdiction. Through CCAs, local jurisdictions may choose to procure higher levels of renewable energy for their constituents than what is available in the local jurisdiction's utility's portfolio, further reducing greenhouse gas (GHG) emissions. Under a CCA, the incumbent utility for the City of San Diego, San Diego Gas and Electric (SDG&E), would continue to deliver, meter, and bill electricity to all customers, including those in the CCA.

There are currently four active CCA programs in California: Marin Clean Energy, Sonoma Clean Power, Lancaster Choice Energy, and CleanPowerSF. Many other local jurisdictions, including several in San Diego County, are also exploring the feasibility of developing CCAs.

#### 2. Preliminary Work and CCA Study in San Diego

In September 2015, Protect Our Communities (POC), a local 501(c)(3) nonprofit organization, funded and provided to the City a preliminary CCA feasibility report (Exhibit A). The POC report was performed by Community Choice Partners, Inc. (CCPI). A follow-up feasibility study commissioned directly by the City of San Diego is necessary to conduct more in-depth and current analysis.

In addition, preliminary community and stakeholder input has been collected by the City's Sustainable Energy Advisory Board (SEAB). Using results of their stakeholder engagement process, the SEAB developed and provided to the City its recommended CCA Guiding Principles and Minimum Performance Criteria (Exhibit B). These guiding principles must be addressed in the CCA feasibility study. It is anticipated that stakeholder engagement will be ongoing throughout the study period. Through direct outreach to the SEAB, industry, business community, environmental advocates, the public and others, the City's CCA consultant will be required to obtain and incorporate any additional community input and stakeholder feedback as appropriate to fulfill the requirements of the RFP.

## C. SCOPE OF SERVICES

The selected proposer shall perform the following scope of work. Through the scope of work, the consultant will conduct a feasibility study for the City. The feasibility study will help the City determine (1) to what extent a CCA would help to achieve the City's renewable energy policy outlined in the recently adopted CAP, (2) how a City CCA could be implemented, and (3) identify all potential barriers to implementing a CCA and actionable solutions to addressing those barriers. In support of this study, the City will acquire three years of aggregated load data for customers in the City's jurisdiction in accordance with SDG&E tariffs. The draft feasibility study will be reviewed by a third party.

**The successful consultant will be required to fully comply with the provisions of SDG&E Schedule CCA-INFO with respect to all confidential information. All consultant personnel having access to confidential information shall be required to sign applicable non-disclosure rider with respect to City's request to SDG&E for confidential information pursuant to Schedule CCA-INFO and City's existing Non-Disclosure Agreement with SDG&E.**

### 1. Load Study and Forecast

- 1.1 Forecast number and type of customer accounts likely to be served by the CCA (residential, commercial, industrial, etc.) and the tariff terms under which customers are likely to remain CCA customers.
- 1.2 Provide tariffed service options.
- 1.3 Project future annual electric energy requirements and develop annual load curves including peak demand across all customer classes, based on analysis of historical loads as well as projected changes in demand levels and peak periods given renewable growth and other factors, as appropriate.
  - 1.3.1 Create a composite of expected electrical energy requirements (and hourly shape) for City of San Diego. Energy requirements are for all the load in the City, including those of residents and businesses. Additionally, the composite should include Direct Access customers so that energy requirements can be modeled both with and without these loads.
  - 1.3.2 Peak demands associated with each customer class.
  - 1.3.3 Impact on system, local and flexible resource adequacy requirements (RAR).
- 1.4 Number or percentage of customers in each customer class that would be needed to participate in order

to make the CCA viable.

1.5 Forecast to allow inclusion of Direct Access (DA) customers should they decide to join the CCA.

## 2. Analysis of Energy Supply Scenarios

- 2.1 The consultant will develop at least three scenarios of renewable energy mix and Renewable Portfolio Standard (RPS) category qualification of the CCA.
- 2.2 Provide differentiated energy service options with a high (up to 100%), medium and baseline estimates of renewable power mix, increasing over time to help meet CAP goals. The renewable portion of the baseline estimate should be equivalent or better than the renewable portion of SDG&E's current power mix. Each scenario shall describe:
  - 2.2.1 Costs associated with California RPS compliance.
  - 2.2.2 The resource mix necessary to achieve each scenario, specifying the type of resources (in-state, in-county, international, renewable vs. fossil fueled, bundled vs. unbundled renewable energy certificates (RECs), energy credits, technology preferences).
  - 2.2.3 Estimates of GHG reductions according to varying energy service options.
  - 2.2.4 Estimates of Net Energy Metering or equivalent program costs.
- 2.3 Analyze and provide a sample energy supply portfolio that would result in lower GHG emissions than SDG&E's portfolio and prioritize the development of local renewable resources by:
  - 2.3.1 Minimizing the use of non-local RECs and not including any unbundled RECs.
  - 2.3.2 Supporting the growth of state wide and regional renewable energy development.

For each scenario, provide a comparative analysis of resource location, energy content, REC content (i.e., whether unbundled or not), GHG impacts and other relevant metrics for each of the renewable energy mix scenario portfolios to SDG&E's RPS compliance portfolio.

## 3. Cost Analysis

Provide annual total cost analysis for each of the first five years of operation, and in 5- year increments afterwards, through 2035, for each energy resource mix scenario, including, but not limited to:

- 3.1 Energy Costs
  - 3.1.1 Forecast spot market prices.
  - 3.1.2 Long-term and short-term power contracts (for wholesale products including peak and off peak power products).
  - 3.1.3 Renewable energy minimums as required under SBXI-2, or in excess of this minimum consistent with electric supply scenarios.
    - 3.1.3.1 Net Energy Metering costs.
  - 3.1.4 Use available information to provide a comparative analysis of the costs of each renewable energy mix scenario portfolio to SDG&E's current and projected RPS portfolio costs, considering contract terms and other relevant metrics.
- 3.2 Energy Efficiency Costs

- 3.2.1 Demand Response program costs.
- 3.2.2 Start-up costs and cost of capital.
- 3.2.3 Operating and maintenance costs.
  - 3.2.3.1 Including administrative and general expenses.
  - 3.2.3.2 Internal and external staffing, including technical, legal, marketing/outreach, and PR support.
  - 3.2.3.3 Billing, metering and collections.
  - 3.2.3.4 Customer service (call center) and data management.
  - 3.2.3.5 Scheduling and coordination, ancillary services and transmission congestion impacts as necessary.
- 3.2.4 Uncollected accounts.
- 3.2.5 Program reserves.
- 3.2.6 CCA bonding and reentry fees.
- 3.2.7 SDG&E surcharges, including Power Charge Indifference Adjustment (PCIA) and any other relevant exit fee(s) or cost-recovery mechanism(s).
- 3.2.8 Insurance costs.

#### 4. Rate Analysis

- 4.1 Rate analysis should be presented in a scenario analysis, with high, medium and low estimates of future SDG&E rates for all rate classes for the timeframe identified above.
- 4.2 Prepare a CCA and SDG&E comparative rate analysis with reasonable estimates of future SDG&E rate changes factoring in historical and future prices for local generation construction costs, spot market pricing, renewable energy mandates and price trends, and how SDG&E's Connected to the Sun, Share the Sun, and Sun Rate programs impact Project financial prospects at varying levels of renewable energy integration.
- 4.3 Consider the rate impacts of the PCIA value.
- 4.4 Identify other factors that may affect rate comparison, such as varying natural gas prices, rate restructuring, PCIA changes, Net Energy Metering costs, etc.
- 4.5 Understand SDG&E costs and surcharges embedded in rate forecasts for direct comparison to CCA costs.

#### 5. Power Charge Indifference Adjustment

- 5.1 Analysis of the methodology and inputs required for the PCIA calculation.
- 5.2 Project potential range of PCIA levels for each of the first five years of CCA operation.
- 5.3 Sensitivity analysis of future PCIA calculations.
  - 5.3.1 SDG&E CCA departing load.
  - 5.3.2 Customer class phase-in schedules.
  - 5.3.3 IOU energy contract "vintages."
  - 5.3.4 Direct Access customers joining CCA.
  - 5.3.5 Additional considerations.

6. CCA Structure
  - 6.1 Identify and analyze different CCA organizational structures (e.g. Joint Powers Agency (JPA), enterprise fund, third-party administration).
  - 6.2 Provide sensitivity analysis around different organizational structures, including potential inclusion of other interested jurisdictions into a San Diego City CCA.
  - 6.3 Determine if inclusion of other jurisdictions (and associated energy load) through a JPA would benefit or diminish the financial prospects of a CCA.
  
7. Other Program Opportunities within the CCA
  - 7.1 Opportunities for local and regional energy conservation and energy efficiency.
    - 7.1.1 Potential programs targeted at local customers or demand-side management.
  - 7.2 Opportunities for local and community ownership of renewable resources.
    - 7.2.1 Increased community resilience to power outages and natural disasters including impacts resulting from climate change.
    - 7.2.2 Include communities of concern.
    - 7.2.3 Could include the evaluation of programs such as a feed-in-tariff or net energy metering, which encourage development of local renewable energy generation by offering customers a sustained reliable payback on their investment.
  - 7.3 Opportunities for an economic development incentive program.
  - 7.4 Opportunities for aggregation of renewable distributed generation.
  
8. Economic Impact Analysis
  - 8.1 For each CCA energy scenario, conduct economic analysis of job impacts through existing economic development modeling tools to quantify potential economic impacts.
  - 8.2 Quantify the economic impacts in the region including job creation.
    - 8.2.1 Union and prevailing wage jobs.
    - 8.2.2 Direct or indirect job creation.
    - 8.2.3 Investment of surplus funds to develop local energy efficiency and renewable energy resources.
  
9. Sensitivity Analysis

Analyze the effects of potential changes in the following variables:

  - 9.1 Market prices for non-renewable energy and renewable energy.
  - 9.2 Changes in SDG&E generation rates, exit fees, and customer surcharges.
  - 9.3 Changes in local and national policies affecting local renewable energy development.
  - 9.4 Rate sensitivity for higher renewable energy portfolio targets that exceed state RPS.
  - 9.5 Rate sensitivity to local renewable energy generation, energy efficiency and demand reduction programs.
  - 9.6 Customer phase-in scenarios and customer opt-out rates.

- 9.7 Changes in PCIA inputs or calculation methods.
- 9.8 Different CCA structures.

## 10. Risk Analysis

- 10.1 Consultant should also analyze the potential risks to the program, and outline risk-mitigation measures.
- 10.2 Financial risk to participating jurisdictions and to customers in the event the CCA fails, or of over- or under-procurement of energy resulting from incorrect forecasting (and potential reasons for incorrect demand forecasts). Regulatory and legislative risk of rule changes at the CPUC or in state law that might affect the operative ability or competitiveness of a CCA.
- 10.3 Credit risk.
- 10.4 Risks regarding compliance with state RPS and resource adequacy (RA)
  - 10.4.1 Assess risks associated with availability of future renewable energy supply to meet CCA and RPS goals.
  - 10.4.2 Assess risks associated with renewable energy costs increasing, and the potential for customers to opt out (the impact on the CCA)
- 10.5 Market volatility and price risk.
- 10.6 Environmental risk from siting and permitting large energy projects.
- 10.7 Potential risks, if any, to nearby military operations of renewable energy projects.
- 10.8 Grid stability.

## 11. Pro-forma Analysis

- 11.1 Assessment of the overall costs and benefits of a CCA that informs a decision whether to establish a CCA in San Diego, by assessing the annual positive or negative economic impact on customers, as well as net impact on meeting City Climate Action Plan goals relative to the current system of SDG&E energy procurement. In particular, it should include a cash flow analysis that considers:
  - 11.1.1 The different electric supply scenarios.
  - 11.1.2 The sensitivity case assumptions.
  - 11.1.3 Phasing in customer load over time with different customer accounts.
  - 11.1.4 Load requirements.
  - 11.1.5 Cost-of-service variables such as energy costs, start-up costs, cost of capital, operating and maintenance costs, uncollected accounts, contribution to program reserves, CCA bonding for reentry fees, SDG&E customer surcharges, and PCIA costs.
- 11.2 Provide fully functional model that can be used by the City for future analysis as inputs or market conditions change.

## 12. Deliverables

The selected proposer will be required to provide a number of deliverables over the duration of the contract term, including but not limited to, the following:

- 12.1 Bi-weekly updates with City of San Diego, either written or verbal, on the status of the project.
- 12.2 Finalization of the study scope and power supply scenarios to be considered in analysis.
- 12.3 Coordination with City to finalize load data request to SDG&E.
- 12.4 Draft technical study in Word format (in addition to the City's review, the draft technical study will be reviewed by 3<sup>rd</sup> party, which may be the runner up to this process).
- 12.5 Draft pro forma model. (Excel format)
- 12.6 One round each of revisions prior to and after peer review analysis.
- 12.7 Final pro forma model, which can be used by the City of San Diego staff (or designee) for future analysis as inputs or market conditions change. (Excel format)
- 12.8 Final study to be submitted. Final draft should include all appendices and the pro forma.



### III. PRICE SCHEDULE

#### A. PRICING

##### 1. City's Estimated Need as specified in Section II, Specifications.

Flat Rate for Scope of Services (as specified in Section II, Specifications)	\$
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Proposers must provide attachment worksheets, which include a breakdown of hourly-based rate(s), estimate of labor hours and dollar amount to complete the scope of services, and any other rationale used in determining their pricing for all of the specified requirements.

Hourly rate shall be inclusive of all fees and costs of operations to provide the contract services, including but not limited to photocopying, support services, travel (at the GSA rate), lodging and any other expenses incurred in the course of representing the City. Pricing must be submitted at a flat rate for performance of all core requirements, deliverables and tasks as specified in Section II. Any variations of the hourly needs during the contract period shall not entitle the Proposer an adjustment in hourly rates noted or to any additional compensation.

The City has budgeted a not to exceed amount of \$150,000.00 for this project.

**2. Discounts.** Any discount offered other than for prompt payment should be included in the net price quoted instead of shown as a separate item.

**3. Prices Submitted or Corrected.** All prices and notations must be written in ink or typed. Responses must be free of erasures. Corrections must be initialed in ink by the person signing the proposal.

**4. Reserved.**

**5. Fixed Price.** All prices shall be firm, fixed, fully burdened, FOB destination, and include any applicable delivery or freight charges, and any other costs required to provide the requirements as specified in this RFP. The lowest total estimated contract price of all the proposals that meet the requirements of this RFP will receive the maximum assigned points to this category as set forth in this RFP. The other price schedules will be scored based on how much higher their total estimated contract prices compare with the lowest:

(contract price – lowest price)

$$\left(1 - \frac{\text{contract price} - \text{lowest price}}{\text{lowest price}}\right) \times \text{maximum points} = \text{points received}$$

For example, if the lowest total estimated contract price of all proposals is \$100, that proposal would receive the maximum allowable points for the price category. If the total estimated contract price of another proposal is \$105 and the maximum allowable points is 60 points, then that proposal would receive  $(1 - ((105 - 100) / 100)) \times 60 = 57$  points, or 95% of the maximum points. The lowest score a proposal can receive for this category is zero points (the score cannot be a negative number). The City will perform this calculation for each Proposal.

**6. Taxes and Fees.** Taxes and applicable local, state, and federal regulatory fees should not be included in the price proposal. Applicable taxes and regulatory fees will be added to the net amount invoiced. The City is liable for state, city, and county sales taxes but is exempt from Federal Excise Tax and will furnish exemption certificates upon request. All or any portion of the City sales tax returned to the City will be considered in the evaluation of proposals.

**7. Escalation.** An escalation factor is not allowed unless called for in this RFP. If escalation is allowed, proposer must notify the City in writing in the event of a decline in market price(s) below the proposal price. At that time, the City will make an adjustment in the Contract or may elect to re-solicit.

**8. Unit Price.** Unless the proposer clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire proposal, any difference between the unit price correctly extended and the total price shown for all items shall be offered shall be resolved in favor of the unit price.

## IV. CONTRACT

**A. Contract Documents.** The following documents comprise the Contract between the City and Contractor: this RFP and Cover Sheet; the successful proposal; the Notice of Intent to Award; the City's written acceptance of exceptions or clarifications to the RFP, if any; and the City's General Contract Terms and Provisions.

**B. Contract Interpretation.** The Contract Documents completely describe the goods and/or services to be provided. Contractor will provide any goods and/or services that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result whether or not specifically called for or identified in the Contract Documents. Words or phrases which have a well-known technical or construction industry or trade meaning and are used to describe goods or services will be interpreted in accordance with that meaning unless a definition has been provided in the Contract Documents.

**C. Precedence.** In resolving conflicts resulting from errors or discrepancies in any of the Contract Documents, the Parties will use the order of precedence as set forth below. The document highest in the order of precedence controls. Inconsistent provisions in the Contract Documents that address the same subject, are consistent, and have different degrees of specificity, are not in conflict, and the more specific language will control. The order of precedence, from highest to lowest, is as follows:

1<sup>st</sup> This RFP and Cover Sheet

2<sup>nd</sup> The City's written acceptance of any exceptions to clarifications to the RFP, if any

3<sup>rd</sup> Specifications and any addenda thereto

4<sup>th</sup> Contractor's Pricing Page(s)

5<sup>th</sup> All sections of the RFP not identified above

6<sup>th</sup> City's General Contract Terms and Provisions

**D. Counterparts.** This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

**E. Public Agencies.** Other public agencies as defined by California Government Code section 6500 may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent agreement between Contractor and another public agency.