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January 9, 2017

TO: ALL OFFERORS

FROM: Robert Underwood
Energy Program Manager

SUBJECT: Request for Proposal – Addendum
NO: NAT17001-DEC_Constult

ADDENDUM # 1

The purpose of this addendum is to answer questions received regarding the solicitation and clarify the directions regarding the electronic submission.

Information regarding the current contract is available online at:
http://bids.delaware.gov/bids_detail.asp?i=4178&DOT=N

Questions & Answers

Q: We have several questions about this statement: (1) First, we want to confirm that by “biannual” you mean every six months, twice per year, rather than biennial meaning every two years. Can you confirm that the meaning is twice per year? (2) Second, is there a set of programs for which this information is currently being tracked so that this task would be to continue to track this information for these programs and, if so, approximately how many programs are being tracked? (3) If there is not such a set of programs currently being tracked, do you have an approximate number of programs in mind, or is this something that is totally up to the selected technical consultant to propose? (4) Finally, when you refer to the building code

that is in effect where each program is implemented, are you including local municipal/city building codes in addition to state codes that may apply?

A: Yes, biannual means twice a year. (2) Yes. This information is currently being tracked, but DNREC is seeking much more in depth tracking of this information moving forward. (3) See #2. (4) Yes.

Q: Would you please provide an estimate of the number of such applications that are expected or an approximate number that should serve as the basis for our cost estimate? Having a sense of the number of such applications will allow us to provide a realistic cost estimate for this portion of the effort and will ensure that all proposers are using the same assumptions.

A: It is unknown at this time the volume of custom applications that will be received.

Q: For scope items a and b, would you please provide estimates of the number of such applications (for item a) and projects (for item b) that are expected or an approximate number that should serve as the basis for our cost estimate? Having a sense of the number of such applications and projects will allow us to provide a realistic cost estimate for this portion of the effort and will ensure that all proposers are using the same assumptions. Also, for scope item c, when you say “”assistance evaluating the local and regional renewable energy market” are you suggesting that the task would be to conduct a full-fledged renewable energy market potential study, identifying the full technical, economic and market potential throughout the state for each of a number of renewable energy technologies, or are you referring to conducting limited reviews of programs and renewable energy prices in the region to help guide decision-making about refining the Green Energy program? Also, how often do you envision that the program’s incentive levels would be reviewed and how often would reconsideration of the structure of the program be needed?

A: It is unknown at this time the volume of such applications that will be received.

- Need for assistance with applications is limited on an as-needed basis. All applications received do not require technical assistance. The average number of applications requiring assistance in previous years for the Green Energy Program was up to 15.
- For the purposes of this RFP any market studies completed by the contractor would be more limited in nature not full-scale economic potential studies. The study would be used to support/guide modifications to the existing Green Energy Program or to create new, innovative programs within the Green Energy Fund.
- Incentives are reviewed annually for the Green Energy Program

Q: For each of these items, would you please provide estimates of the number of such applications (for item b) and projects (for item c) that are expected or an approximate number that should serve as the basis for our cost estimate? Having a sense of the number of such applications and projects will allow us to provide a realistic cost estimate for this portion of the effort and will ensure that all proposers are using the same assumptions.

A: It is unknown at this time the volume of such applications that will be received. However; in the Three-year program plan it is assumed 4 projects of this magnitude will be received.

Q: Obviously, if these services are rarely needed, the cost would be minimal, and if these services are needed quite a bit, the cost could be significant. For each service requested in each

of these four task area, could you provide some sort of estimate of the level of effort that is likely to be required (or that we should assume in our costing) so that we can provide a realistic cost estimate for these tasks, even if it is in terms of an estimated number of full-time equivalent staff needed to perform each of these four tasks?

A: The number of full-time equivalent staff needed to perform each of the four tasks is unknown to DNREC at this time.

Q: Would you please provide an idea of exactly what information you are seeking in terms of the financial proposal? At what level of detail do you want costs provided? For the various tasks do you want a total not-to-exceed cost estimate, or do you want some sort of cost-per-unit estimate (e.g., cost per application reviewed), or a mix of both? It is clear that you want bidders to show hourly rates and, we assume, any direct costs/expenses. What does “other information provided in the financial proposal” refer to? And should our costs be provided in a separate document called the “Financial Proposal,” or is it sufficient just to provide them in a Financial Proposal section of the main proposal?

A: It is up to each individual bidder as to how they wish to package the total costs of their proposals. However, based on the variable volume and base by base basis of which services may be needed, hourly costs and not to exceed totals seem to be reasonable approaches.

Q: Could you provide much more detail regarding the ACA Safe Harbor Additional Fee and how this is relevant to our proposal? We are not a staffing company and are not proposing to provide our employees to serve as staff to the State. Rather, we are proposing to perform all work as a contractor to the State, with our staff working solely for our company. Navigant offers all of its full-time employee health care coverage that meets the thresholds under the ACA. In this case, is a response to that effect considered compliant with this Section 7.c, and would no “Additional Fee” then be required? Or, is the State’s position that an Additional Fee may still be required even if the selected technical consultant already provides offers ACA-compliant coverage for health insurance for all of its full-time employees? Further, on page 14 the RFP lists the Additional Fee as a criterion that will be used in evaluating vendor proposals, worth 10 points, but then on page 18 appears to state that the fee will have no bearing on the contract award (“the Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award”). We would appreciate any clarification you can provide regarding what the Additional Fee is and how it is relevant to our proposal.

A: If the proposal includes any provision where Delaware may be considered a Common Law Employer and therefore making the State responsible for health care benefits then a fee associated with the benefits must be clearly identified. The fee will be considered in the evaluation process; however, the point value associated with the evaluation is such that it is not the deciding factor in the award decision

Q: Section II (2)(b) page 2, for the purposes of budgeting, what is the anticipated number and scope of complex system designs associated with the Energy Efficiency Investment Fund?

A: It is unknown at this time.

Q: Section II (2)(b) page 2, does DNREC anticipate that the selected consultant will conduct site visits to verify custom applications?

A: No.

Q: Section II (2)(d) page 2, does DNREC anticipate that the selected consultant will draft the EEIF section of the Annual Report to the General Assembly?

A: It is anticipated that the consultant will provide assistance to the responsible staff member in drafting the EEIF section of the Annual Report to the General Assembly.

Q: Section II (2)(d) page 2, would it be possible for DNREC to provide a timeline of the Annual Report process specifically when draft and final versions are due?

A: The annual report is due to be provided to the public by August 30 of each year.

Q: Section II (5)(a) page 3, does DNREC have an expectation of when the development of the Program Guidelines for the large industrial energy efficiency program should be completed?

A: No, it is unknown at this time.

Q: Section II (5)(b) page 3, does DNREC anticipate that the selected consultant will conduct site visits for the large industrial energy efficiency program?

A: It is unknown at this time, but not anticipated.

Q: Section II (6)(c) page 4, for the purposes of budgeting, what is the expected on-site presence of the consultant for participation in meetings, committees, technical sessions, hearings, and open meetings before the Delaware Public Service Commission or other government bodies?

A: The exact number of on-site presence requirement is unknown.

Q: Section IV (D)(7)(c) page 18, would it be possible to provide an example of the detail of the Additional Fee that is compliant with ACA Safe Harbor language?

A: If the proposal includes any provision where Delaware may be considered a Common Law Employer and therefore making the State responsible for health care benefits then a fee associated with the benefits must be clearly identified. The fee will be considered in the evaluation process; however, the point value associated with the evaluation is such that it is not the deciding factor in the award decision. It is up to the individual bidder as to the level of detail regarding the additional fee associated with the ACA Safe Harbor Act.

Q: Section IV (D)(7)(c) page 18, would a copy of our organization's health care benefits package and eligibility requirements be an acceptable submission of the ACA Safe Harbor provision?

A: No.

Q: Has the DEC established an overall budget for this scope of work? Can bidders know what that is?

A: No, it has not been established.

Q: In the DSM industry a distinction has often been made--and separation maintained--between program implementation services and program evaluation, measurement, and verification services, a separation intended to avoid a conflict of interest on the part of evaluators who have designed the very programs they are evaluating. Are we reading the RFP correctly, here and

elsewhere in the RFP, that the DEC requires both types of services for the same programs? Is there concern about managing the potential for a conflict of interest?

A: The intent behind these requirements are to ensure the information given to the third party evaluator is true, accurate and consistent with the requirements to be properly evaluated, measured and verified. There will be no conflict of interest since this a request for proposal for a general consultant and not the evaluation, measurement, and verification consultant.

Q: It is clear that are you looking for in-depth qualifications to perform the tasks identified in the Scope of Work. Are you also looking for full narratives of the approach the bidder will take to perform the activities, tasks and subtasks, deliverables, and timelines for the work required?

A: It is up to the individual bidder as to how they demonstrate qualifications to meet the requirements of the scope of work.

Q: Is a schedule of hourly rates and other identifiable costs, such as travel and tools needed for evaluation sufficient to meet these requirements? Or are you looking for a not-to-exceed budget for the full cost to do all of the work described in the Scope of Work section? If the latter, will you require a detailed budget per task?

A: It is up to the individual bidder as to how they demonstrate their financial proposal.

Q: How many WAP clients are in the program? (i.e., how many utility accounts are in the scope of work)

A: It is unknown at this time how many clients will be in the program in future years.

Q: EEIF: How many applications does the program receive annually? Approximately what percent of applications would require a review? Are site visits required for the EEIF reviews?

A: It is unknown at this time how many applications will be received. It is not anticipated at this time the consultant will perform the site visits.

Q: GEF: How many applications does the program receive annual? Approximately what percent of applications would require a review?

A: It is unknown at this time how many applications will be received. It is anticipated the amount of applications reviewed is be minor.

Q: GEF: What is the level of expertise are you are looking for to assist with the evaluation of project designs? For example, is the skill needed for someone that can review large complex designs and find structural or design flaws, or are you looking for more high-level expertise that can identify general issues from a paperwork review and photos?

A: It is unknown at this time, but the anticipated amount of applications reviewed is minor.

Q: Are there site visits required for the GEF reviews?

A: It is unknown at this time. It is not anticipated at this time the consultant will perform the site visits.

Q: How many Very Large Industrial users are there in the territory (as per the definitions provided in the RFP: > 10,000 MWh/yr and/or 96,000 MMBtu/yr)?

A: DNREC is not aware of the exact number of very large users, as this is proprietary information for each utility.

Q: Are there savings goals for the Large Industrial Energy Efficiency Program?

A: The savings goals achieved will count towards the statewide savings goals established by the energy efficiency advisory council. All projects must pass the total resource cost test.

Q: Does the technical review require a site visit?

A: It is unknown at this time whether a site visit will be warranted.

Q: What EM&V protocol does the DEC require (i.e. IPMVP option A, B, C, or D)?

A: DEC requires that the EM&V protocol used follows the Delaware EM&V regulations. They can be found at:

<http://www.dnrec.delaware.gov/energy/Pages/EvaluationMeasurementVerification.aspx>

Q: For the as-needed tasks in sections 4 and 6, what assumptions as to the level of assistance required should be used to develop a budget that includes hours and a not-to-exceed cost?

A: It is up to the individual bidder to determine the assumptions they will use in preparing their as-needed tasks.

All other terms and conditions remain the same.