



## **REQUEST FOR PROPOSALS**

### **Benchmarking of Vermont Electric Energy Efficiency Programs**

**Date Issued: January 4, 2010**  
**Response Due By: January 26, 2010**

Vermont Department of Public Service  
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## Overview

The Vermont Public Service Board recently approved a change in the structure of energy efficiency service delivery in Vermont. As part of the transition process, an “Overall Performance Assessment” of entities currently delivering efficiency programs in the state is required. As part of this assessment, the Vermont Department of Public Service (“Department” or “DPS”) is seeking assistance from independent contractors to benchmark electric energy efficiency service delivery performance in Vermont in recent years versus service delivery in other jurisdictions. Burlington Electric Department (“BED”) provides electric energy efficiency services in its territory. Vermont Energy Investment Corporation (“VEIC”) is currently contracted to provide electric energy efficiency service delivery to the balance of the state as “Efficiency Vermont” (EVT).<sup>1</sup> Both entities are referred to as an “Energy Efficiency Utility” (“EEU”). This request for proposal seeks a contractor to perform this benchmarking in regards to both BED and EVT.

For consideration under this solicitation, respondents are expected to have extensive experience and demonstrated capabilities in energy efficiency program evaluation. Proposals should demonstrate the Contractor’s familiarity with research techniques, strategies, and principles related to benchmarking of energy efficiency program delivery. Proposals should provide a work plan that details each task and provides a clear timeline for completion. Considering a limited budget for this benchmarking effort, the proposal should show how the proposal will leverage existing sources of information to perform the work associated with this effort. Respondents should also demonstrate the ability to convey complex topics using a clear and concise writing style. On the basis of these factors – as well as the Selection Criterion stipulated below – a Contractor will be selected to perform the work described herein.

Total budget for this RFP is not to exceed **\$50,000**, although the Department reserves the right to award less than this amount or to forgo making an award altogether (see Terms and Conditions). All questions regarding this RFP should be directed to TJ Poor, DPS Division of Planning and Energy Resources, at the contact information provided below. Each proposal submission must include four hard copies with original signatures and one electronic copy (via email preferred). Proposals should be addressed to:

TJ Poor  
Division of Planning and Energy Resources  
Vermont Department of Public Service  
112 State Street  
Montpelier, VT 05620-2601  
Phone: (802) 828-0544  
Fax: (802) 828-2342  
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<sup>1</sup> As the programs delivered by VEIC are done so under the trade name “Efficiency Vermont”, this request for proposals will refer to Efficiency Vermont’s programs as those to be benchmarked.

Both hard copies and electronic copies of proposals are due to the Department of Public Service on **January 26, 2010 at 4:30pm**. The contractor selection process will be conducted by a Proposal Review Team comprised of Department staff and other stakeholders as the Department deems prudent. The Team will follow all rules and procedures required under the State of Vermont's acquisition guidelines, and is expected to make a decision within one week of the proposal due date. Once a Contractor or Contractor Team has been selected, DPS will notify all Respondents of their status. Successful Contractors or Contractor Teams must be available to begin work immediately following execution of a contract.

## **Introduction**

The Vermont Public Service Board ("Board"), in its Order of 11/24/09<sup>2</sup>, altered the structural model of Vermont's energy efficiency service delivery from a contract-based model<sup>3</sup> to an Order of Appointment model. While the Board found that the contract model has served ratepayers well since its inception in 2000, increased responsibilities and experience gained by those implementing the EEU led the Board to conclude that an Order of Appointment will provide additional benefit to Vermont ratepayers. The new structure retains many of the functions of the existing EEU, but provides a mechanism for longer term stability for an EEU to better serve ratepayers. To ensure performance under the new long term structure, the Board provided for increased oversight. This oversight includes an initial "Overall Performance Assessment" ("OPA") in which the two current energy efficiency providers – EVT and BED – are subject to a review of services to consider each provider's effectiveness. The OPA is a public and transparent process conducted by the Board to inform a determination as to whether it is in the best interest of Vermont ratepayers to solicit competitive bids for delivery of efficiency services, or to appoint the incumbent.

To inform the OPA process, the Department of Public Service is requesting expert assistance in performing a benchmarking review of VEIC's and BED's energy efficiency service delivery. The Board found in its 11/24 Order that benchmarking is an appropriate tool to ensure that Vermont's programs compare well to programs in other jurisdictions. In addition, this review would be used to inform the setting of future indicators of performance for an EEU Appointee. Thus, the report considered as a result of the work solicited herein will be a public document used in future Board processes.

## **Scope of Work**

This request for proposals solicits contractors to benchmark the performance of Vermont's EEU's (EVT and BED) in terms of electric utility energy efficiency programs. The

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<sup>2</sup> Public Service Board Order Approving Change in EEU Structure and Scheduling Status Conference, 11/24/09 <http://psb.vermont.gov/sites/psb/files/orders/2009/7466OrderReStructure.pdf>

<sup>3</sup> The contract-based model for an energy efficiency utility was the result of a comprehensive settlement among interested parties and approved by the Board in its Order of 9/30/99. Information on the original EEU structure, links to the Board Order, and other information can be found at <http://psb.vermont.gov/utilityindustries/eeu/generalinfo/creationandstructure>

benchmarking should include a comparison of commonly reported metrics such as total energy and demand savings relative to total energy and demand usage, spending relative to utility revenues, and program administrator cost per kWh saved (lifetime). In addition, benchmarking should, to the extent possible, benchmark Vermont EEU performance by market sector (i.e. Residential New Construction, Business Existing Facilities, Business New Construction, etc.). Finally, the benchmarking should also include an additional analysis that attempts to normalize results to the extent possible, for variables across jurisdictions such as program maturity, funding levels, demographics, policy requirements (e.g. requirements to spend a certain budget on low-income) and other important variables as identified by the contractor.

The results of the benchmarking study shall be provided in a Draft Report to the Department of Public Service. The DPS and appropriate stakeholders will review, and upon receipt of comments, the contractor will provide a Final Draft Report to the Department of Public Service. All work shall be completed by the timeline below.

## **Timeline and Scheduling**

- *Kickoff Meeting* (Immediately following execution of the contract): Meet with DPS staff and other Parties to ensure a common understanding of project expectations, tasks and timeframe, and deliverables. Prior to this meeting, the Contractor should be familiar with the scope of all EVT and BED efforts. Contractors must come to this meeting prepared to identify the level of effort required to conduct the benchmarking and the timelines associated with this assistance.
- *Revised Work Plan*: (Ten days following kickoff meeting) A revised (as necessary) Work Plan must be submitted to the DPS. It should document the common understanding among the Parties regarding methods, deliverables, and timing, as discussed in the kickoff meeting. The Work Plan should include methods for updating DPS on progress throughout contractual timeframe. This Plan will present the detailed schedule for completion of any interim products and the final deliverable.
- *Draft Benchmarking Report*: (April 8, 2010) The Draft Benchmarking Report, including all aspects of benchmarking scope of work as discussed above, must be completed by April 8.
- *Final Benchmarking Report*: (April 30, 2010) The final report must incorporate DPS comments on the draft report and produce a final deliverable report within two weeks from receipt of DPS comments.

## **Project Management**

Management responsibilities include regular project updates with the DPS Project Manager. The Contractor and the DPS Project Manager will have regular conference calls in which the Contractor will provide a progress review. Prior to each call, the Contractor shall prepare a written progress report describing progress over the prior period and identifying key topics for discussion, including any issues that need prompt attention.

## **Proposal Requirements**

To compare the performance of BED and EVT to other electric efficiency programs the contractor should demonstrate that it is able to gather and provide information on commonly reported metrics such as percent of total energy and demand savings relative to total energy and demand usage, spending relative to utility revenues, program administrator cost per kWh saved (lifetime). This information is generally available from program administrators and/or regulators. Given the limited budget for this contract, the proposals in response to this RFP should describe how existing information will be leveraged to provide the most robust benchmarking study possible, and what additional information will be gathered.

Within the scope of work, budget, and timeframe specified above, the Department requires assistance identifying and refining benchmarking methodology and metrics to appropriately measure EEUs performance. Proposals should use the metrics and scope of work as a starting point for the benchmarking study; however they are encouraged to suggest alternative methods and new approaches, as appropriate. Contractor proposals under this RFP should include a summary of their approach for carrying out this work. This summary is an opportunity for the respondent to demonstrate their expertise and unique qualifications for the work. It is also an opportunity to for Contractors to convey a clear and logical writing style, as well as a thorough understanding of related policy context and unique considerations for Vermont markets. Key elements of the summary include an introduction that describes the overall approach/methodology, a description of activities, a data management strategy (as necessary), and a staffing plan necessary to conduct robust, accurate, and transparent benchmarking of VEIC and BED programs.

To maintain a degree of responsiveness and flexibility in administering the contract, the Department may identify – at a future date – other services or activities for inclusion under the scope of work. Further, the Contractor must be available following the completion of the scope of work herein to provide additional assistance to the Department to assist with the OPA process as the Department deems necessary (under a new contract or an amendment to the contract resulting from this RFP). Such services and activities, along with an associated scope, budget, and timeframe must be agreed upon by the parties at that time.

## **Evaluation Budget, Proposal Schedule, Provision of Information**

Total funding under this RFP is not to exceed **\$50,000** although the Department reserves the right to award less than this amount or to forgo making an award altogether, regardless of cause (see Terms and Conditions). Proposals are due to the Department of Public Service (Department or DPS) on **January 26, 2010**. The Department's goal is to select the winning proposal and award a contract within one week of this date. The Contractor selection process will be carried out by a Proposal Review Team comprised of Department staff and other stakeholders as deemed appropriate by the DPS. The Team will follow all appropriate procedures and requirements as required under the State of Vermont's acquisition process. Once a proposal has been selected, DPS will immediately notify Respondents of their status. Successful Contractors or Contractor Teams must be available to begin work immediately following receipt of the award.

It is required that all information and data collected under this project shall be provided to DPS upon request with the goals of supporting additional analysis by DPS staff and enhancing future evaluation activities. Quality control procedures shall be applied to ensure that data is organized and submitted in a mutually acceptable, commonly usable electronic format. A transfer of all data shall occur upon termination of the contact, although any and all data and information must be provided to the Department upon request at any point during the project period.

## **Selection Criterion**

The Department's Proposal Review Team will score and review all proposals according to the following Selection Criterion:

- Experience and demonstrated capabilities in energy efficiency benchmarking exercises, strategies, and principles, including design, data analysis, and policy analysis.
- Experience of the Contractor in successfully completing similar research, and ability to provide timely and in-budget research.
- Ability to complete the requested scope of work within the scheduled timeframe
- Experience of key personnel, as well as the proposed staffing plan
- Price and value.
- Writing skills and abilities, including a demonstrated proficiency in conveying complex topics in clear and concise language.
- Quality and completeness of the proposal (in terms of coverage, organization, graphics, grammar, spelling, etc). The clarity and organizational aspects of the proposal will be considered an indication of those same qualities in any future deliverable from the Contractor.
- To a lesser extent, physical proximity or availability to be in Vermont on short notice.

## **Terms and Conditions**

- Bidders must provide an hourly rate for various personnel to be assigned to each task identified in the proposal. While exact hours by task cannot be known with certainty, a best estimate should be provided with the proposal. The total budget for all contract work should not exceed \$50,000.
- The Department will retain ownership of all work products, which will be delivered to the Department at or before termination of the project.
- The Contractor may be required to enter into a confidentiality agreement to protect certain customer specific information from public disclosure.
- The DPS reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received, and to accept any portion of a proposal if deemed in the best interest of the state.
- News releases pertaining to this RFP, contract award, or the Project shall not be made without prior written approval from the DPS.

- Selection of the winning bidder shall be determined solely by the DPS on the basis that the proposal submitted is the most advantageous for the state.
- The DPS reserves the right to amend or cancel this RFP at any time and for any reason, as determined to be in the state's best interest.
- The DPS reserves the right to make a selection without further discussion of proposals received. Therefore, it is important that each proposal be submitted in the most complete and accurate manner possible.
- The Contractor must not be currently employed by a firm currently working under contract to Vermont Energy Investment Corporation (VEIC), Efficiency Vermont (EVT), or Burlington Electric Department (BED), and must agree not to undertake such employment during the term of this contract. The Department reserves the right to make exceptions to this condition as it deems appropriate.
- The Contractor must be available to begin work immediately after the contract is awarded and commit to completing benchmarking within the timeframe specified above.
- If more than one Contractor is part of the bid, a lead Contractor must be identified. A lead contact person must be identified in the proposal.

In addition to these Terms and Conditions, it is important to note that the DPS assumes no liability in any fashion with respect to this RFP or related matters. All prospective Contractors or Contractor Teams, by their participation in the RFP process, shall indemnify, save and hold the DPS and its employees and agents free and harmless from all suits, causes of action, debts, rights, judgments, claims, demands, accounts, damages, costs, losses and expenses of whatsoever kind in law or equity, known and unknown, foreseen and unforeseen, arising from or out of this RFP and/or any subsequent acts related thereto, including but not limited to the recommendation of a service provider and any action brought by an unsuccessful prospective service provider.

## **The Proposal Submission**

The proposal should present a clear understanding of the issues to be addressed and a description of how the Contractor proposed approach accomplishes the evaluation goals. The proposal should be structured to provide the following information:

1. Introduction
2. Understanding of the scope of work and associated issues
3. Overview of the proposed approach
4. Detailed Work Plan and related task descriptions
5. Descriptions of similar projects
6. Qualifications of firm(s)
7. Qualification of individuals
8. Management and staff structure
9. References
10. Timeline
11. Task and total project budget that includes a listing of all staff assigned to the project and their time allocations and billing rates

12. Appendix A: Sample report from prime contractor
13. Appendix B: Other attachments as appropriate

**Introduction:** The introduction should introduce the research team and provide general information about the team and how they will approach the project.

**Understanding of the research goals and associated issues:** This section should provide a discussion of the key issues associated with achieving the scope of work. The section will allow the DPS to assess the contractor's understanding of the objectives that need to be addressed.

**Overview of the proposed approach:** This section should present an overview of the contractor's research approach, allowing the DPS to determine whether proposed methods are appropriate to the objectives in question.

**Summaries and task descriptions:** This section should present the summaries, as described above, including an introduction that describes the overall approach/methodology, a description of individual activities, a data management strategy (as necessary), and a staffing plan. This section should be descriptive enough to aid the DPS in understanding how the research will be conducted. This section should also address any specific analytic approaches and related reporting activities.

**Descriptions of similar projects conducted:** This section provides a brief presentation of similar types of research conducted by the prime contractor and other key members of the research team. The discussion should allow DPS to assess the experiences of the Contractor or the Contractor Team relative to the goals of this project.

**Qualifications of firm(s):** This section is provided to allow the Contractor to present their corporate qualifications that are in addition to the above descriptions.

**Qualification of individuals:** The proposal should describe the individuals to be assigned to the tasks and include a resume for each of the key staff involved in the research.

**Management and staff structure:** The proposals should clearly define the team's management and operational structure.

**References:** The Contractor should provide at least three references of similar work for other clients. The references should include a brief description of the research effort including the name, address, telephone number and e-mail address of the client's representative for the referenced project.