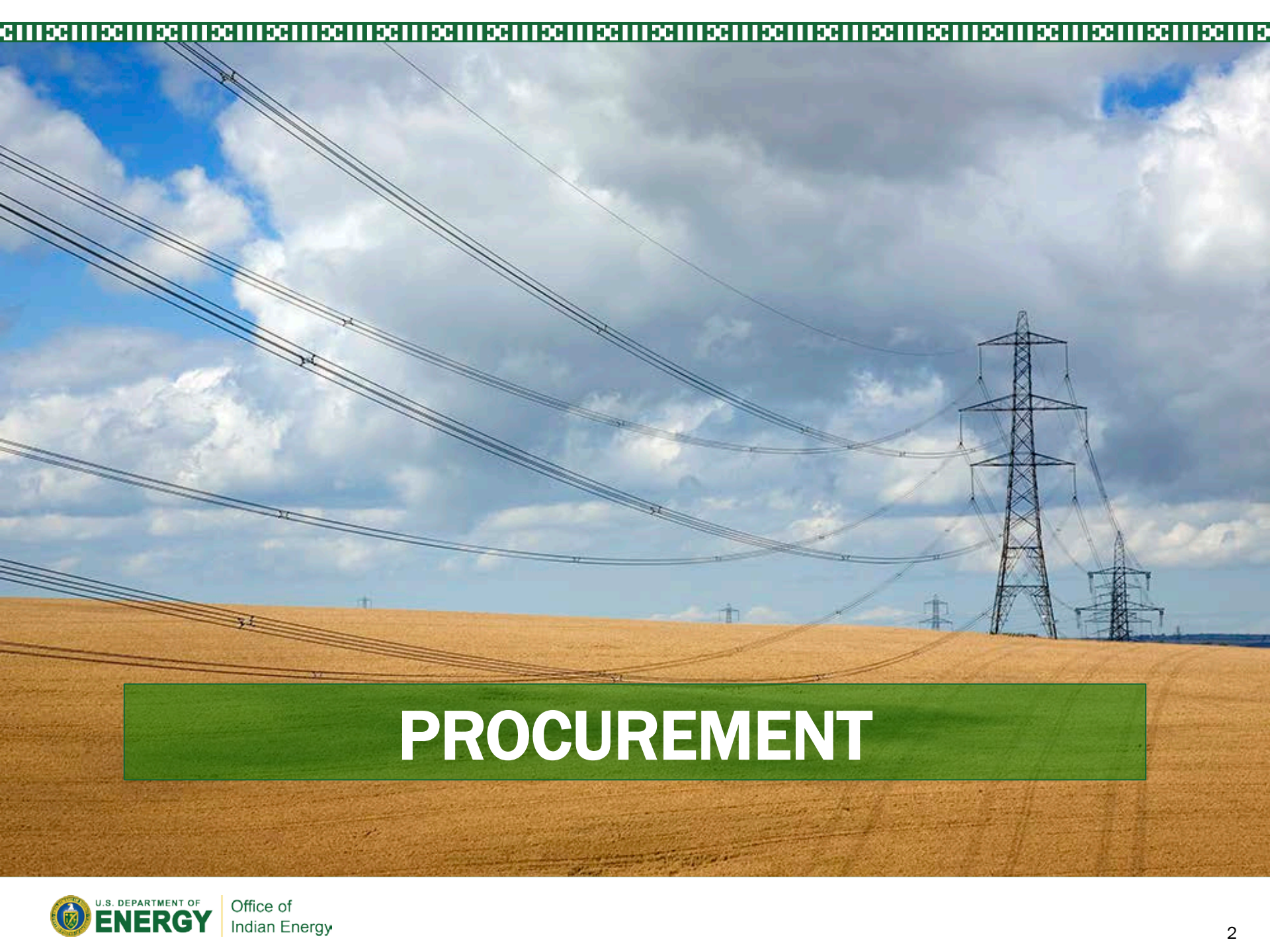


PROCUREMENT





PROCUREMENT



Procurement Process for Facility- and Community-Scale Projects



Potential Project Partners to Procure

- Consider GSA as a resource for procurement: <http://www.gsa.gov/portal/category/20998>
- Project developer
- Engineering, procurement, and construction (EPC) contractor
- Environmental permits contractor
 - May apply to some community projects, but not to others

Request for Proposals (RFP) Process Outline

1. Develop RFP

- Timeline: 1 month to 1 year (depends on project scale and site complexity)
- Who creates the RFP: project leader, contract officer/lawyer, site manager(s), energy manager and technology expert. RFP writers will receive input from utility, tribal leaders, and stakeholders
- RFP content

2. Issue RFP

Tribal, federal, and industry networks

3. Administer the RFP

- Proposal meeting(s)
- Site tour(s) – can be concurrent with proposal meeting
- Q&A process – ensure all developers get same information

4. Evaluate Criteria

- Should be a clear process with well defined criteria
- Evaluation panel recommended to consist of an odd number of members (typically 3 to 7)

5. Award Contract

Four approaches

Develop RFP

Key Elements of the RFP

- Type of procurement:
 - Purchase
 - Power purchase agreement (PPA)
 - ESPCs
 - Other finance structure
- Technical specification (scope of work)
- Criteria for evaluating proposals: 3–5 of most important project aspects
 - Proposed project solution that meets specified criteria
 - System performance guarantee
 - Developer experience, track record, and customer satisfaction
 - Developer financial health/longevity
 - Maintenance plan
 - Reasonable timelines
 - Other

Develop RFP cont.

Key Elements of the RFP

- Description of RFP administration process
 - Typically 2–5 months
 - Key dates: proposal meeting(s), sites visit(s), proposal due date
 - Description of how questions will be handled and answered
- Defining responsible parties
 - Who is responsible for permits
 - Who is responsible for interconnection agreements
 - Who is responsible for applying for incentives
- Any preferences on parties allowed to submit proposals
 - Small business
 - Minority-owned
 - Other
- Land use agreements
 - Address site access and land use issues as relevant to ownership model

RFP Technical Specifications

Define Scope of Work

- What is the project scale
- Type of renewable energy technology
- Site information:
 - Location
 - Interconnection requirements as known
 - Applicable codes and standards
 - Roof structure, soils, other (as applicable and available)
 - Site prep: fencing, roads, grading limitations, etc.
 - Installation requirements: min/max heights of equipment, vegetation mitigation, design standards for structural/electrical
- Equipment minimum standards and warranties
- Expected minimum performance (recommended) or capacity
- Strategy for training maintenance and operations staff
- Commissioning plan

RFP Evaluation Criteria

Two Typical Approaches

- Best value:
 - Typically 3–5 criteria with weighting based on importance
 - Score proposal on each criteria
 - Somewhat subjective and can lead to contentious, time-consuming evaluations but good method to capture best value
- Low price, technically acceptable
 - Proposals initially stripped of pricing/cost information
 - First evaluation determines proposals that meet technical hurdle
 - Technically acceptable proposal with lowest cost gets award
 - More transparent process but may not capture best value

RFP Award Contract

Four Typical Approaches

1. Award based on proposal: awarded solely on merits of proposal
2. Award with discussion: awarded on proposal but contingent on clarifying discussions
3. Award with discussion and negotiation: awarded on proposal but contingent on further negotiation
4. Award with best proposal:
 - Best proposals are short-listed
 - Short-listed proposals asked for best final proposal revision
 - Award based on final proposal revision

Summary: Project Procurement and Implementation

- Procurement strategy will vary depending on the project scale and financing solution selected
- Increasingly more complex for larger projects
- Post procurement issues are critical as these are very long term assets and relationships
- Save time and money by considering GSA pricing

Activity

- Determining RFP Selection Criteria
- RFP Exercise