NREL
NATIONAL RENEWABLE ENERGY LABORATORY

Requests for Proposals: RFP Template and Best Practices

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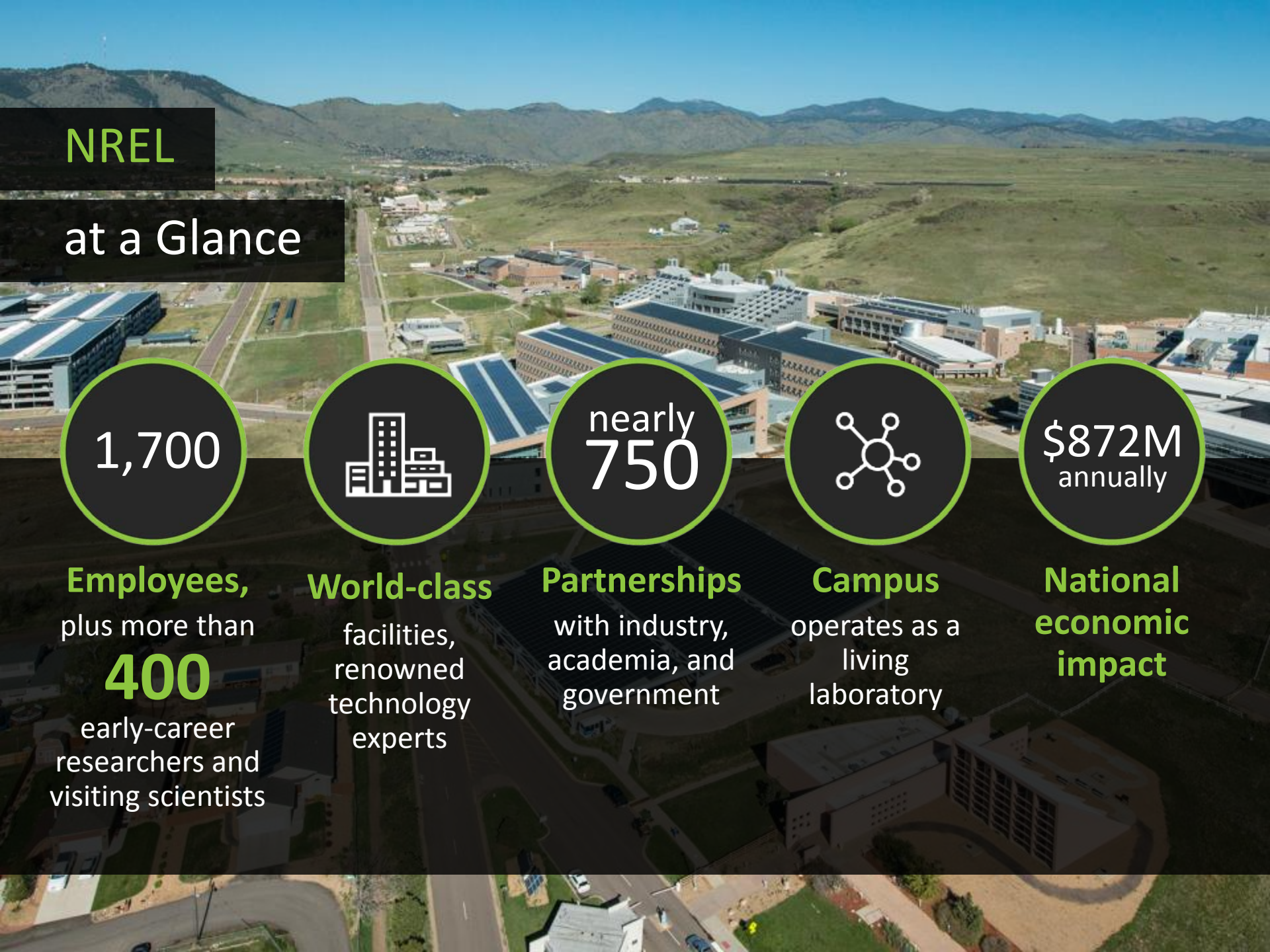


NREL at a Glance

1,700

Employees,
plus more than
400
early-career researchers and visiting scientists

World-class
facilities, renowned technology experts

nearly 750

Partnerships
with industry, academia, and government

Campus
operates as a living laboratory

$872M annually

National economic impact

Community Benefits of RE Development

Economic

Renewable energy development creates multiple economic benefits to communities, including:

- Job creation (construction & permanent)
- Indirect impacts (employee spending at local businesses)

Workforce Development

- Developers can agree to prioritize local, qualified labor for construction.
- Operations and maintenance work can often be carried out by locals.

Land Lease Payments

- Land leases are a significant revenue stream for the life of the project, and are typically paid directly to the landowner.

Community Funds

- Community funds may support energy efficiency, fire departments, schools, reduced electricity rates for low-income residents, etc.[1]

Property Taxes and Infrastructure Upgrades

- RE development can support the tax base of certain regions.

1.Rynne, S., et al. (2011). Planning for Wind Energy. American Planning Association. Report Number 566. Accessed March 14, 2018. Available at www.planning.org/ research/wind/index.htm

Outline

- The Request for Proposal (RFP) Process
- Tribal RFP Template for a Solar PV System
- RFP Best Practices
- Key Takeaways

What is an RFP?

RFP Definition: An RFP (Request for Proposals) is an industry-standard document requesting written bids from qualified contractors. It enables buyers to conduct a bidding process to identify the best price/quality for the desired service.

Feasibility & Planning

- Resource assessment
- Feasibility studies
- Financing arrangement

Engineering & Procurement

- **RFP process**
- Engineering, procurement and construction

Asset Management

- System monitoring
- O&M

The RFP Process

An RFP is a significant undertaking. Consider project funding sources and potential fatal flaws prior to starting the process.

Develop RFP → **Issue RFP** → **Administer the RFP** → **Proposal Evaluation** → **Award Contract**

The RFP Process

RFP's are detailed procurement documents, and generally need to contain sufficient information about the site to allow vendors to make an informed bid.

- Developing an RFP involves figuring out:
  - What size and type of system you want to procure
  - Project location
  - Criteria used to evaluate proposals
  - All of the above should be informed by clear **project goals**
- You will need to develop a packet of materials to allow vendors to make an informed bid. This includes the project scope of work, site data, project logistics, vendor evaluation criteria, and required proposal content/ format.

The RFP Process

Once the RFP is developed, you need to promote it. Post the RFP on high-traffic websites, social media, and especially send it directly to local vendors so that they are aware of the opportunity.

- How many responses does a Tribe need?
  - **More is better.** Generally at least three, but two if they offer comparable system scope and competitive prices
- Promotion Venues:
  - **Notify local vendors directly**
  - Tribal homepage
  - Native News Sites (Indian Country Today)
  - Social Media: LinkedIn, Twitter
  - Notify local chapters of major industry groups (SEIA, AWEA)

The RFP Process

Once the RFP has been issued, it is important to be responsive to follow-up requests for information and help vendors give you the best quote possible.

- Once vendors decide to respond, they may need additional information or have questions about the project. **Designate a point of contact that can field these questions in a timely manner.**
- Engaging with vendors, and potentially hosting a site walk so that vendors can inspect the project site is another common way to give bidders more information.

The RFP Process

The proposal evaluation process should include a defined scoring system with set criteria, weighting, and guidelines for assigning scores.

- Many proposals will be of similar quality, and the size and complexity of the proposals makes a comprehensive and objective evaluation difficult without established guidelines.
- Consider O&M and end of life (buyout, removal) terms.
- Follow-up interviews can be useful as a tie breaker in helping to decide between proposals that have scored similarly.

The RFP Process

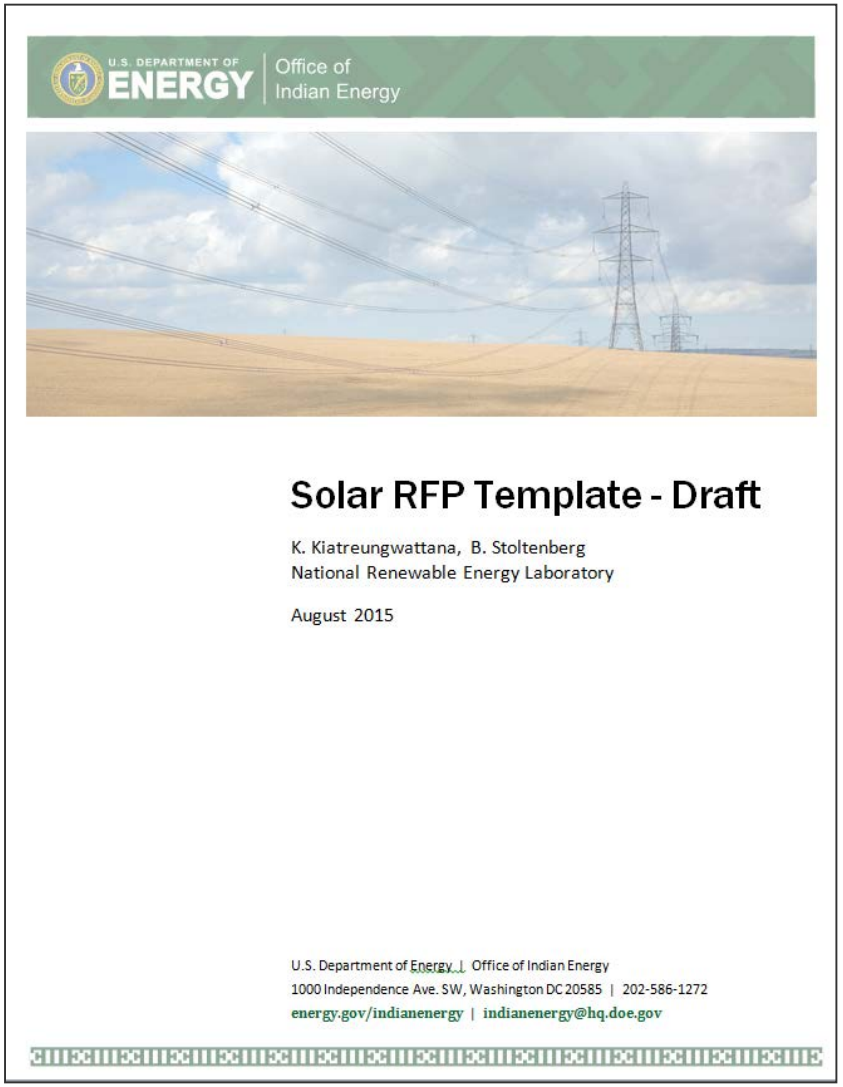
Identifying potential contractual sticking points ahead of time will save time and money, and decrease the risk of an RFP failing at the final step.

- **Get buy-in** from key decision-makers well before the contract negotiation. Projects can stall at the final hour if a key decision-maker does not have a clear understanding of the project and its goals.
- Communicate your key contract terms ahead of time (e.g. tribal sovereignty, ownership structure, construction timeline), this can avoid costly revisions.
- If you are constrained by legal requirements for procurement, consider attaching these contracting conditions to the RFP.

Solar RFP Template

- **Audience:** Tribes seeking to develop grid-tied solar projects
  - roof-mounted
  - ground-mounted
  - carport
- **Goal:** Competitive bid process to achieve the best possible pricing and system quality
- **Approach:** Tribe-owned or power purchase agreement?
  - **This RFP template is for a tribe-owned project**
- PPA Considerations:
  - Fixed electricity price
  - Rate escalator
  - Term length
  - Liability
  - Buy-out terms
- A starting point for Tribes
  - users may use, modify the template to suit their needs and projects

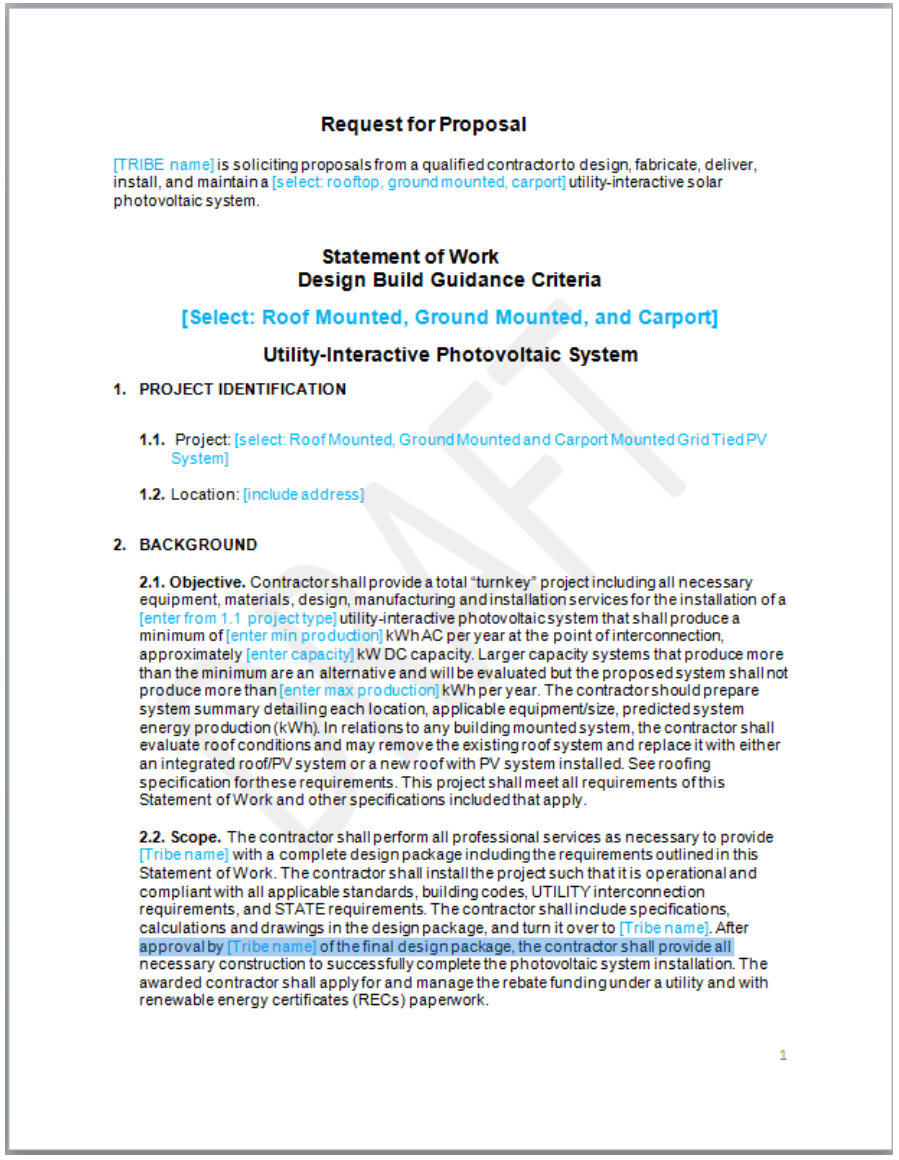
https://www.energy.gov/indianenergy/downloads/doe-office-indian-energy-solar-rfp-template-draft



Solar RFP Template

Primary tribe RFP Inputs in blue:

- Project Details
  - Site Assessment Results
  - Load Data
  - Site Visit Dates
  - Site Maps/Plans
- Background
  - Objective:
    - Job creation/training/economic benefits
    - Start with a well-defined goal for bidders
    - Focus on outcome-based metrics, like production guarantees
  - Project Scope and Schedule
  - Design Guidelines
    - Rooftop and carport (structural calculations)
    - ground-mounted



Request for Proposal

[TRIBE name] is soliciting proposals from a qualified contractor to design, fabricate, deliver, install, and maintain a [select: rooftop, ground mounted, carport] utility-interactive solar photovoltaic system.

Statement of Work
Design Build Guidance Criteria

[Select: Roof Mounted, Ground Mounted, and Carport]

Utility-Interactive Photovoltaic System

1. PROJECT IDENTIFICATION

1.1. Project: [select: Roof Mounted, Ground Mounted and Carport Mounted Grid Tied PV System]

1.2. Location: [include address]

2. BACKGROUND

2.1. Objective. Contractor shall provide a total "turnkey" project including all necessary equipment, materials, design, manufacturing and installation services for the installation of a [enter from 1.1 project type] utility-interactive photovoltaic system that shall produce a minimum of [enter min production] kWh AC per year at the point of interconnection, approximately [enter capacity] kW DC capacity. Larger capacity systems that produce more than the minimum are an alternative and will be evaluated but the proposed system shall not produce more than [enter max production] kWh per year. The contractor should prepare system summary detailing each location, applicable equipment/size, predicted system energy production (kWh). In relations to any building mounted system, the contractor shall evaluate roof conditions and may remove the existing roof system and replace it with either an integrated roof/PV system or a new roof with PV system installed. See roofing specification for these requirements. This project shall meet all requirements of this Statement of Work and other specifications included that apply.

2.2. Scope. The contractor shall perform all professional services as necessary to provide [Tribe name] with a complete design package including the requirements outlined in this Statement of Work. The contractor shall install the project such that it is operational and compliant with all applicable standards, building codes, UTILITY interconnection requirements, and STATE requirements. The contractor shall include specifications, calculations and drawings in the design package, and turn it over to [Tribe name]. After approval by [Tribe name] of the final design package, the contractor shall provide all necessary construction to successfully complete the photovoltaic system installation. The awarded contractor shall apply for and manage the rebate funding under a utility and with renewable energy certificates (RECs) paperwork.

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RFP Best Practices

"Measure twice and cut once": Issuing an RFP will lock in your project requirements and may be too restrictive or make future changes more difficult.

Consider an RFI: A Request for Information (non-binding public request for information to inform an RFP) can make you aware of other options for your project that you may not have considered.

Thoughtful Information Requests: Requesting enough information to make an informed decision, but not so much that vendors are discouraged from responding by the volume of information requested.

Use appropriate evaluation metrics: The lowest cost system may not provide the most value. Using metrics like projected annual savings or production guarantees may provide more benefit.

Resources:

- Draft Tribal RFP Template
  - https://www.energy.gov/indianenergy/downloads/doe-office-indian-energy-solar-rfp-template-draft
- Detailed steps to an RFP
  - https://www.thesolarfoundation.org/steps-to-a-successful-solar-request-for-proposal/
- Industry Tips for an RFP
  - https://www.borregosolar.com/blog/the-no-bs-guide-to-a-solar-rfp
- Solar Decision Tree (EPA) https://www.epa.gov/sites/production/files/2015-10/documents/repower_technologies_decision_tree.pdf

Thank You

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