



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Power Enterprise

Revised
Request for Proposals

AGREEMENT No. CS-160
ELECTRICITY SUPPLY SERVICES FOR
COMMUNITY CHOICE AGGREGATION PROGRAM

SEPTEMBER 30, 2010

CONTRACT ADMINISTRATION BUREAU
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
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REVISED REQUEST FOR PROPOSALS
CITY & COUNTY OF SAN FRANCISCO
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Power Enterprise
Community Choice Aggregation Program

Agreement No. CS – 160
Electricity Supply Services for
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Acronyms and Abbreviations

AB 117	Assembly Bill 117 (2002, Migden) – Establishes CCA in California
CAISO	California Independent System Operator
CCA	Community Choice Aggregation
CCSF	City and County of San Francisco
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CHP	Combined Heat and Power
CPUC	California Public Utilities Commission
CRS	Cost Responsibility Surcharge
DG	Distributed Generation
DIP	Draft Implementation Plan
DR	Demand Response
EDI	Electronic Data Interchange
EE	Energy Efficiency
EIC	Earned Income Credit
GHG	Greenhouse Gas
HCAO	Health Care Accountability Ordinance
HRC	Human Rights Commission
IRS	Internal Revenue Service
IOU	Investor Owned Utility
JV	Joint Venture
kW	Kilowatt
kWh	Kilowatt-hour
LAFCo	San Francisco Local Agency Formation Commission
LAP	Load Aggregation Point
LBE	Local Business Enterprise
MCO	Minimum Compensation Ordinance
MW	Megawatt
MWh	Megawatt Hour
NTP	Notice to Proceed

PCIA	Power Charge Indifference Adjustment
PGC	Public Goods Charge
PG&E	Pacific Gas and Electric
PPA	Power Purchase Agreement
PV	Photovoltaic
RAR	Resource Adequacy Requirement
REC	Renewable Energy Certificate
RFC	Request for Clarification
RFI	Request for Information
RFO	Request for Offers
RFP	Request for Proposals
RPS	Renewable Portfolio Standard
SFE	San Francisco Department of the Environment
SFPUC	San Francisco Public Utilities Commission
WBS	Work Breakdown Structure
WREGIS	Western Renewable Energy Generation Information System

I. PURPOSE

The San Francisco Public Utilities Commission (SFPUC), a department of the City and County of San Francisco (the City), in consultation with the Local Agency Formation Commission (LAFCo), seeks a qualified Supplier¹ of electricity supply services and customer care and billing services for CleanPowerSF - the City's Community Choice Aggregation (CCA) Program. CleanPowerSF will offer electricity generation services to up to approximately 375,000 retail electricity accounts with potential annual revenue of approximately \$420 million per year.²

Program Goals

The City's goals in implementing CleanPowerSF are:

- to provide customers with a choice for their electricity supplies,
- to reduce the City's reliance on fossil fuels,
- to reduce pollution and greenhouse gas (GHG) emissions associated with electricity generation necessary to serve San Francisco's residents and businesses,
- to provide electricity supplies at rates that are competitive with PG&E service and to stabilize electricity rates for City residents and businesses enrolled in the program,
- to increase local control over electricity supplies, and
- to increase local green job opportunities.

Services Requested

Through this Revised RFP, the City seeks a Supplier(s) (which may include a joint venture (JV) or a partnership with one or more subcontractors) to provide electricity supply and customer care and billing services for CleanPowerSF. While the City has a preference for a single Supplier to provide both these tasks, Proposers may bid on only one of the tasks. The City may award a contract to a Supplier to provide all of the services described in this RFP, or only a portion of the described services. The City may also issue a follow-up RFP for any necessary services that are not addressed in a contract resulting from this RFP. In addition, the City reserves the rights set forth in Section X.12.

The services requested in this RFP include:

- (Task 1) Full requirements electric supply for CleanPowerSF, with an electricity supply portfolio made up of (i) renewable supplies sufficient to meet the California Renewable Portfolio Standard (RPS) and (ii) additional green resources to meet City-specific goals, such that by 2021, at least 51% of supplies will be provided by renewable and green resources.

¹ The term Supplier shall refer to any legal entity (or entities) the City contracts with to provide the required CCA services.

² Note: the total number of customers and estimate revenues includes all PG&E bundled customers and Direct Access customers.

- (Task 2) Customer services including management of CleanPowerSF customer accounts and billing; exchange of customer usage, billing and payment data with PG&E; and responding to CleanPowerSF customer service calls and addressing service issues.
- CleanPowerSF rates must be structured such that when service commences, customers' overall cost of electricity, including costs for Task 1 and Task 2, will be equal to or less than bundled service from PG&E, and such that over the contract term (including renewal periods), customers' electricity costs are expected to remain competitive with PG&E rates, with CleanPowerSF rates increasing at no more than 3.7% per year (PG&E's historical increase in generation rates).

The City has a goal of developing 360 MW of new green energy resources (including demand-side programs) and integrating these resources into the CleanPowerSF supply portfolio. Development of these resources will be pursued by the City. The City intends to conduct an annual Request for Offer (RFO) process for the development, construction and operation of these green energy resources (including energy efficiency and demand side programs) following the execution of a supplier contract under this RFP and initiation of CleanPowerSF service. Proposals that respond to Task 1 of this RFP must be structured to allow for integration of these City-developed resources (through a resource substitution process) into the CleanPowerSF portfolio.

Contract Structure

The City anticipates awarding the selected Proposer a Supplier contract with a minimum term of three (3) years, subject to renewal and a maximum term of twenty (20) years. The Supplier's costs for its services will be funded solely from rates and fees charged to CleanPowerSF customers, with no funding obligations, guarantees or revenue support to be provided by the City. Proposals must be structured such that all of Proposer's costs and fees for services, including any financing commitments and obligations that may be required, are paid and recovered within the proposed contract term.

Experience and Qualifications Sought

Proposers responding to this RFP must have proven expertise and extensive experience in the program areas described in this RFP on which they bid. The general qualifications, experience and services and skills sought by the City for CleanPowerSF which are more specifically listed in the Minimum Qualifications Section (V.1) of this RFP include:

- (Task 1) Experience providing retail full requirements electric supply including but not limited to, experience complying with resource adequacy and RPS requirements, ancillary services obligations, and other applicable regulations;
- (Task 1) Experience procuring power pursuant to long-term power purchase agreements (PPAs) as well as undertaking medium and short term electricity purchases;
- (Task 1) Experience as a certified California Independent System Operator (CAISO) scheduling coordinator;
- (Tasks 1 and 2) Knowledge of Federal and California regulatory frameworks and requirements for CCA and load serving entities;

- (Task 2) Experience managing a call center and customer care facilities; and
- (Task 2) Experience managing customer accounts and billing processes and transacting information via Electronic Data Interchange (EDI) protocol.

Local Job Creation

The City seeks to encourage local job creation through CleanPowerSF. Proposers must meet the City’s Local Business Enterprise (LBE) and First Source Hiring Policy requirements of this RFP. Additional details on community benefits and LBE requirements are set forth in Sections VI.3.H and VI.3.L.

II. RFP MANAGEMENT AND COMMUNICATIONS

1. Tentative Schedule for RFP Process

The City has established the following schedule for this RFP process. The following dates are tentative, non-binding, and are subject to change without prior notice:

Advertisement of RFP	August 5, 2010
Pre-submittal Proposers’ Conference	August 31, 2010
Advertisement of Revised RFP	September 29, 2010
Deadline for Proposers to Submit Questions	October 8, 2010
Deadline for Proposers to Submit Proposals	November 3, 2010
Short-Listing and Notification for Oral Interviews	November 23, 2010
Oral Interviews	December 1, 2010
Posting of Final Proposer Ranking	December 9, 2010

2. Pre-Submittal Conference

A pre-submittal conference was held August 31, 2010. The SFPUC is willing to conduct additional workshops to address potential questions on the Revised RFP raised by October 8, 2010, should potential proposers request them. All requests for pre-submittal workshops should be directed in writing to rfp@sfwater.org by October 5, 2010. Workshop content will be determined by SFPUC project staff and will include an opportunity for questions.

While City staff may provide oral clarifications, explanations, or responses to any inquiries at workshops if any are held, the City is not bound by any oral representation. Any new and/or substantive information provided in response to questions raised from potential bidders will be memorialized in a written addendum to this RFP and posted on the SFPUC website at <http://contracts/sfwater.org>.

3. Requests for Information

All requests for information concerning the RFP, whether submitted before or after a workshop, must be in writing and directed to Kofo Domingo at rfp@sflower.org. All inquiries should include the number and title of the RFP. Substantive replies will be memorialized in written addenda to be made part of this RFP. As mentioned above, all addenda will be posted on the Contract Administration Bureau webpage at <http://contracts/sflower.org>. This RFP will only be governed by information provided through written addenda. With the exception of Human Rights Commission (HRC) or City contracting inquiries, no questions or requests for interpretation will be accepted after October 8, 2010. Proposers should therefore consult the SFPUC website regularly for these updates.

Furthermore, a variety of studies have been completed relating to CleanPowerSF. These reports can be found on websites of the SFPUC and the LAFCo.³ The SFPUC site contains reports on the technical feasibility and economic potential of various generation technologies located in San Francisco, several City ordinances governing CleanPowerSF, the CleanPowerSF Implementation Plan, AB 117, several CPUC decisions regarding CCA programs, as well as a discussion of CCA programs in other states. The LAFCo site includes: Risk Assessment Report, Program Report, and Analysis of Issues Associated with Implementation. These reports could be helpful in preparing a response. However, Proposers should independently verify any facts or statements in any such reports, including reports prepared by or for the City, before relying upon them in preparing their proposals. Proposers are fully responsible for the accuracy and reasonableness of their proposals.

III. BACKGROUND

1. San Francisco Public Utilities Commission (SFPUC)

The San Francisco Public Utilities Commission (SFPUC) is a department of the City and County of San Francisco. The SFPUC has over 2,000 staff and an operating budget of approximately \$620 million. SFPUC provides water, wastewater, and municipal power services to San Francisco. Under contractual agreement with 28 wholesale water agencies, the SFPUC also supplies water to 1.6 million additional customers within three Bay Area counties. The SFPUC system provides four distinct services: Regional Water, Local Water, Wastewater (collection, treatment and disposal), and Power.

Within the SFPUC, the Power Enterprise is responsible for managing electric energy for San Francisco municipal customers, including: retail power sales, transmission and power scheduling, energy efficiency programs, street lighting services, utilities planning for redevelopment projects, energy resource planning efforts and various other energy services.

The selected Proposer will work under the direction of the Community Choice Aggregation Director in the SFPUC Power Enterprise. The San Francisco LAFCo will monitor and advise regarding the implementation of CleanPowerSF.

³ CleanPowerSF and LAFCo reports can be found at: <http://cleanpowersf.org/documents/> and <http://www.sfbos.org/index.aspx?page=4158><http://www.sfbos.org/index.aspx?page=4158>

2. CleanPowerSF Program Overview

Assembly Bill 117 (Migden, 2002) allows public agencies to aggregate the electrical load of interested electricity consumers within their jurisdictional boundaries. Pursuant to this law, the City has established a CCA program known as CleanPowerSF to provide electric power to the residents and businesses located within its jurisdiction. Pursuant to State law, the City developed a Community Choice Aggregation Implementation Plan and Statement of Intent⁴ (the “Implementation Plan”) which was certified by the California Public Utilities Commission (CPUC) on May 18, 2010. The Implementation Plan describes the City’s stated mission for San Francisco residents and businesses to enjoy the option of a substantially cleaner, local, and economically more secure power system—with the intention of long-term reduction in power prices for San Francisco’s residents and businesses.

The City executed a Community Choice Aggregation Service Agreement (the Service Agreement) with Pacific Gas and Electric Company (PG&E) on May 27, 2010. The Service Agreement is a contract which governs the business relationship between PG&E and the City with respect to CleanPowerSF. Among other things, the Service Agreement includes provisions for audits, dispute resolution, events of default, billing and payment terms and indemnity. The Service Agreement incorporates by reference PG&E’s CCA tariffs which set forth the operational and financial duties of aggregators and PG&E in establishing and conducting CCA service. This agreement is attached as Appendix A. Following the execution of the Service Agreement, the CPUC registered the City as a CCA on May 28, 2010.

3. Summary of Applicable Laws and Regulations for CleanPowerSF

CleanPowerSF is subject to a range of laws and regulations issued by multiple jurisdictions and agencies. These include the State law that established CCA, State regulations related to CCA and load serving entities, IOU tariffs applicable to CCAs and CCA customers, and relevant City ordinances and legislation. A list of some of these laws and regulations is provided below. Proposers are responsible for making their own independent investigation of the laws and regulations that may be relevant to providing services described in this RFP and should not rely on these summaries in preparing their responses.

California Law

AB 117(2002) directed the California Public Utilities Commission (CPUC) to establish a set of rules governing the process through which cities, counties, consolidated governments and utility districts may aggregate energy procurement for electric customers within their jurisdiction.⁵ IOUs are required to continue providing distribution, metering and billing services to a ratepayer who receives electric generation service from a CCA.

All PG&E and Direct Access electric customers within the City will be eligible to become CleanPowerSF customers. All eligible PG&E electric customers within the City will be automatically enrolled in CleanPowerSF and served by it except for those customers who affirmatively elect to “opt out” of the Program. Customers will be offered at least four (4) notifications to “opt out” of the program without penalty.

⁴ See Resolution 10-0019:

<https://infrastructure.sfwater.org/fds/fds.aspx?lib=SFPUC&doc=487906&ver=1&data=187843810>

⁵ See Ordinance 86-04. <http://www.sfgov.org/site/uploadedfiles/bdsupvrs/ordinances04/o0086-04.pdf>

CPUC Regulations. The CPUC has adopted several regulations to implement AB 117 that affect how cities and counties implement CCAs.⁶ They include the following:

- IOUs may charge CCA customers a Cost Responsibility Surcharge (CRS) to pay for certain IOU power procurement costs that would be unavoidable when an IOU customer switches to a CCA program;
- Proposed CCAs are entitled to billing and energy usage data from affected IOUs under a non-disclosure agreement; and
- Proposed CCAs may apply to administer energy efficiency funds from their share of the public goods charge paid by their participating customers.

Renewable Portfolio Standard. SB 1078 (2002) establishes a California Renewable Portfolio Standard (RPS) that requires delivery of specified amounts of renewable energy by specific dates. The California RPS requires the delivery of energy generated by certain qualifying renewable fuel sources specified by California law.⁷

This is a rapidly changing area of law and additional laws related to RPS, and its applicability to CCAs, are currently under consideration by the State legislature, such as SB 722.

The California RPS also requires that renewable energy resources and the environmental attributes associated with the related energy production undergo registration with the Western Renewable Energy Generation Information System (WREGIS).⁸

Investor Owned Utility Tariffs

The CPUC required that each Investor Owned Utility (IOU) operating in California establish tariffs governing the operation of CCAs in their service territory. The City is located in PG&E's service territory. PG&E's CCA-related tariffs include Electric Rules 23 and 23.2 and Electric Schedules E-CCA, CCA-CRS and E-CCAINFO. The proposer should note that additional PG&E tariffs impact the operation of CCAs and that CCA customers will continue to obtain transmission and distribution service from PG&E and will be subject to applicable PG&E tariffs, which include charges for PG&E transmission and distribution service as well as other PG&E charges applicable to PG&E's CCA customers, such as cost responsibility surcharges and franchise fee surcharges.

San Francisco Laws and Ordinances

San Francisco established many of the specific requirements of CleanPowerSF in the 2004 Ordinances 86-04, 146-07 and 147-07.⁹ City law also establishes a goal of reducing greenhouse

⁶ For detailed regulatory information regarding the CPUC's implementation of AB 117 (Rulemaking 03-10-003, see Decision 04-12-046 (http://sfwater.org/Files/Reports/D04-12-046_Ruling_CCAPhase1_20041221.pdf) and Decision 05-12-041, (http://sfwater.org/Files/Reports/D05-12-041_Ruling_CCAPhase2_20051216.pdf))

⁷ For additional information on resources that qualify for RPS, see: <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

⁸ Western Renewable Energy Generation Information System, <http://www.wregis.org>

⁹ San Francisco Board of Supervisors Ordinance Number 86-07, http://sfwater.org/Files/Reports/CCA_Ordinance86-04_Ammiano.pdf

gas (GHG) emissions to 20% below 1990 levels by 2012¹⁰, which is more aggressive than the state law (AB 32) requirement to reduce GHG emission to 1990 levels by 2020.¹¹

San Francisco voters approved Proposition H in 2001, authorizing the City’s Board of Supervisors to issue revenue bonds without further voter approval, for use in developing the City’s green resources.¹² As and if appropriate, and subject to satisfaction of the specific requirements of that bonding authority, such bonds or other financing mechanisms will be available for financing development of green resources required for CleanPowerSF.

4. Projected Energy Requirements

The specific electricity needs of CleanPowerSF will be determined by the number of customers that participate in the program and their usage profiles. Table 1 shows estimated total annual load in San Francisco currently served by PG&E, based on 2009 energy usage, by customer class. This does not include municipal customers. The estimated coincident peak demand for this load is approximately 1,000 MW.¹³

Table 1: Customer Accounts and Load by Class (2009)

Customer Load by Class 2009			
Class	Accounts	Total Annual Load (kWh)	Percent of Total Load
Residential	339,300	1,400,216,000	27%
Seasonal service and electric vehicle residential	1,200	23,294,000	0.5%
Small Commercial	28,300	582,373,000	11%
Medium Commercial	3,800	633,152,000	12%
Large Commercial	1,100	839,302,000	16%
Industrial	120	1,188,002,000	23%
Streetlights	240	729,000	0.01%
Agricultural	15	1,691,000	0.03%
Direct Access	540	466,893,000	9%
Bundled Non-Residential	33,575	3,245,249,000	63%
Total	374,615	5,135,652,000	

¹⁰ San Francisco Board of Supervisors Resolution Number 158-02, *Reducing Greenhouse Gas Emissions*, <http://sfgov.org/site/uploadedfiles/bdsupvrs/resolutions02/r0158-02.pdf>

¹¹ Assembly Bill 32 (2006), Global Warming Solutions Act, <http://www.arb.ca.gov/cc/docs/ab32text.pdf>

¹² San Francisco City Charter Section 9.107(8)

¹³ Based on 2009 energy usage of residential and non-residential usage in San Francisco not including municipal load.

The City's annual energy usage fit to the coastal climate band load shape is shown in Appendix B. Annual customer usage by PG&E rate schedule is shown in Appendix C.

One important feature of the program is that customers currently served by PG&E shall become CleanPowerSF customers unless they opt out. Customers will be given several opportunities to opt out prior to and after the commencement of service. Proposers should assume a reasonable opt out rate, and clearly specify what opt out rate is assumed in the proposal.

IV. SCOPE OF SERVICES

1. Introduction

The primary roles of the selected Proposer(s) will be to: (1) provide electricity supply for CleanPowerSF that utilizes a mix of generation resources that is significantly more renewables-based than PG&E's electric generation portfolio, (2) provide customer care and billing services, and (3) provide these services such that customer rates are competitive with PG&E rates. The selected Proposer(s) will work under the direction of the Community Choice Aggregation Director in the SFPUC Power Enterprise. The LAFCo will monitor and advise regarding the implementation of CleanPowerSF.

2. Schedule/Length of Contract; Customer Phasing

The City expects to have a long-term relationship with the Supplier(s), and anticipates awarding a contract with a minimum term of three (3) years, subject to renewal and a maximum term of twenty (20) years.

Proposers addressing Task 1 may propose to phase-in customer enrollment provided that the proposal is compliant with the requirements of PG&E's CCA tariffs and the statutory requirement that CCA service be offered to all residential customers within a CCA territory. Out-of-phase advanced enrollments may be offered. See Section VI.3.E regarding how phasing proposals should be described.

3. The City's Role in CleanPowerSF

In concert with the services provided by the selected Proposer(s), the City intends to perform the following activities to facilitate program implementation and administration:

- Marketing CleanPowerSF to customers;
- Tracking and managing legislative/regulatory issues affecting CleanPowerSF;
- Managing opt out process, including development of customer notices, directing means of customer communication, auditing opt out requests and records, and tracking customer enrollment;
- Completing spot audits of customer billing records and reimbursements;
- Requesting necessary data from PG&E and other City departments;
- Monitoring performance and payment of CleanPowerSF Supplier(s);

- Issuing RFOs for green energy resources and selecting resources to be constructed and substituted into CleanPowerSF supply portfolio; and
- Working with Supplier to ensure coordination with City departments and authorities especially regarding potential bond issuance and other key program components.

The City reserves the right to modify this list as it deems appropriate. The cost of these functions will be funded through customer rates and pricing proposals should account for these costs. For the purposes of this RFP, proposers should assume that City costs for administering CleanPowerSF will be approximately \$5 million per year.

4. Detailed Description of Tasks and Services

The Supplier(s) will be required to undertake the following tasks:

- Task 1. Electricity procurement and portfolio management; and
- Task 2. Customer account management, billing and customer care services.

Proposers may propose to provide one or both of the specified tasks. As directed in Section VI (Proposal) of this RFP, Proposer shall expand upon this description of work and/or add tasks to fully identify the services that Proposer will provide

Task 1. Electric Procurement and Load Management

Task 1.1. Full Requirements Electric Supply

The Supplier shall provide full requirements electric supply for all CleanPowerSF customers. Full requirements electric supply shall mean all electric energy, RPS energy, other green energy (including energy efficiency and demand response), capacity, resources needed to meet planning reserves/resource adequacy requirements, ancillary services, load following, and scheduling coordination required to deliver electricity to meet the needs of end use customers participating in CleanPowerSF.

The Supplier will be responsible for forecasting and satisfying CleanPowerSF's load obligations on an hourly, daily and monthly basis, as required by protocols of the California Independent System Operator (CAISO) and the applicable regulations established by the CPUC. The Supplier shall be responsible for delivering energy to the customer meter by way of CleanPowerSF's load aggregation point(s), and for all costs associated with delivery, including, but not limited to, supply, transmission charges related to supply, transmission losses and distribution losses, all CAISO charges, meeting resource adequacy requirements, scheduling, portfolio management, and PG&E CCA-related charges. The City will make reasonable efforts to cooperate with Supplier in its load forecasting process, such as by requesting customer load data from PG&E and providing information known to the City that may impact the load forecast.

The Supplier's full requirements supply obligations and pricing proposal and structure must incorporate the following considerations:

- **Resource Substitution.** Proposers to this RFP must demonstrate their ability and willingness to incorporate any resources developed as a result of the City’s RFO process into the CleanPowerSF supply portfolio, substituting City-developed resources for system power or other committed supplies as necessary. The City’s intent is that resource substitutions will be undertaken in a manner that is revenue neutral for the Supplier, and that cost impacts of resource substitutions (both positive and negative) will be passed through to CleanPowerSF’s customers through the rate stabilization reserve and/or customer rates, recognizing that rate changes will need to go through the rate approval process.¹⁴ Both parties would have the obligation to minimize costs associated with resource substitution.
- **Use of SFPUC generation.** Similarly, the SFPUC may require the Supplier to integrate output from its existing generation assets into the CleanPowerSF portfolio in a manner that is revenue neutral to the Supplier. These assets include solar power installations and hydroelectric energy produced in the delivery of water from the Hetch Hetchy system. Any use of Hetch Hetchy hydroelectric power would be subject to the SFPUC’s “Water First” policy, as well as existing contracts, laws and regulations.¹⁵
- **Financial Support; Credit and Collateral.** The CleanPowerSF Supplier will provide all required services at its own risk, including risk of customer opt out and delinquent accounts, with no risk or recourse to the City. As described in Sections IV.5 and VI.3.E, the Supplier is required to provide whatever collateral, performance bonding, credit support or other financial assurances that may be required to support the program and to secure its performance, and to cover the cost of any re-entry fees in the event that the program is terminated, and customers are returned to PG&E bundled service.¹⁶
- **Regulatory Reporting Requirements.** Supplier shall provide resource information to the City necessary to comply with regulatory reporting requirements for the Renewable Portfolio Standards (RPS), Resource Adequacy Demonstration (RAD), and any other reports required of load serving entities by law.
- **Payment for Service and Delinquent Accounts.** Supplier shall be paid for its services as funds are received from CleanPowerSF customers. The City intends to make commercially reasonable efforts to support collection of delinquent accounts, including initiating service transfer to PG&E. Proposer shall incorporate its expected cost of non-payment from customers (uncollectible accounts) into its rate and pricing proposals, and shall specify its assumptions for uncollectibles.¹⁷

¹⁴ For comparability across proposals, rate and pricing proposals should assume no substitution of resources during the contract term (including renewal periods).

¹⁵ For comparability across proposals, rate and pricing proposals should assume no use of or reliance upon SFPUC generation during the contract term (including renewal periods).

¹⁶ See CPUC Docket No. R. 03-10-003

¹⁷ See page 4 of http://sfgov.org/site/uploadedfiles/controller/csa/audit/BOS_PG&E.pdf for recent range of PG&E’s uncollectible accounts. The City makes no guarantees regarding the actual uncollectible rate that may occur for CleanPowerSF customers.

- **Collection, Control and Disbursement of Customer Receipts.** All receipts from customer payments for energy deliveries and, if applicable, departing load charges will be deposited in a segregated account. The use of funds from the account will be limited to covering the costs of the CleanPowerSF program, including rate stabilization amounts, City administrative costs, and Supplier costs and profit. The account will be controlled pursuant to an escrow agreement and administered by an independent third party. Funds from the account will be disbursed according to pre-defined instructions.

Task 1.2. Meeting Green Energy Requirements and Goals

The City requires that the Supplier provide CleanPowerSF with an energy portfolio that:

- Is compliant with State law regarding RPS regardless of the actual commercial operation dates and performance of any City-developed generation;
- Achieves the City’s goal's for CleanPowerSF to deliver at least 51% of its electricity supplies from green resources (as defined below) by 2021;
- Contains at least the same percentage of GHG-free energy as PG&E;
- Does not contain unit-specific contracts for coal or nuclear based energy resources; and
- Does not require new facilities to be built to meet Suppliers’ obligations to CleanPowerSF.¹⁸

For the purposes of this RFP, “green” resources will be:

- Any resources defined by the State Renewable Portfolio Standards (RPS) as renewable, which currently includes solar photovoltaics (PV), distributed generation and combined heat and power that utilize a renewable fuel source (such as bio-gas), wind projects, incremental hydroelectric development, wave power, and geothermal)
- Distributed generation such as fuel cells and combined heat and power; and
- Demand side management measures including conservation, energy efficiency, demand response and energy storage; and
- Unbundled RECs that are registered with WREGIS.

CleanPowerSF will measure its achievement of renewable benchmarks using, at a minimum, applicable state RPS compliance rules (i.e. RPS rules in 2012 shall be the basis for calculating CleanPowerSF’s RPS-compliant portfolio mix in 2012). CleanPowerSF will develop similar compliance rules to measure its achievement of City-specific policy goals for green resources.

CleanPowerSF must comply with applicable California laws and regulations regarding the use of unbundled RECs for purposes of complying with the RPS. Current law does not allow use of RECs to meet the RPS. The City recognizes that current RPS requirements and regulations

¹⁸ Facilities that have completed all necessary regulatory requirements (including CEQA review to the extent required) and are reasonably expected to be in service in time for utilization by CleanPowerSF are not considered “new facilities”

(including use of unbundled and/or unregistered RECs) may change over time. For purposes of responding to this RFP, Proposers should assume that the California RPS requirement is 20% for 2010, increasing annually to reach 33% by 2020, and that regulations continue to prohibit the use of unbundled RECs for RPS compliance. Pricing proposals should also include any proposed changes in Supplier obligations and pricing in the event that RPS regulations are changed from these assumptions.

Once the RPS requirement has been achieved, proposers may use unbundled RECs to achieve the City's green energy goal of 51% renewable and green energy supplies by 2021. However, the City requires that no more than half of the difference between the City's green energy goal (51%) and the mandated level of renewables under the RPS (currently 20%) may be met with unbundled RECs.¹⁹ Further, the City will give preference to proposals that meet the goal with minimal use of unbundled RECs. However, the supplier is free to use unbundled RECs to improve the environmental quality of the CleanPowerSF energy portfolio beyond the City's green energy goals.

Proposers should describe in detail how their supply portfolio will meet (or exceed) RPS requirements, City goals for green energy supplies, and GHG profile of PG&E's portfolio, including, for example, whether supplies will consist of deliveries from Supplier-owned supplies or other supplies already under contract, or from contracts to be entered into, and the type, location and delivery points for these supplies. In particular, proposers should detail to what extent supplies will be sourced locally, regionally, within California, or outside of California, and the extent to which the supply portfolio (and pricing and rate structure) will rely on purchases of unbundled RECs and/or RECs that are not registered with WREGIS. The City prefers proposals that are able to meet City goals with less reliance on unbundled RECs and rely more heavily on electricity generated locally.

This task also includes monitoring and reporting to allow the SFPUC to objectively evaluate whether the Supplier is meeting these requirements and goals, including benchmarks, objective criteria and timelines.

Task 1.3. Energy Efficiency, Conservation and Demand Response

The City's goal of 51% green energy by 2021 includes use of demand side management measures such as energy conservation, energy efficiency, energy storage, and demand response.²⁰ The Proposer must describe how it will deliver demand side programs to CCA customers capable of contributing to the City's goal.

CCAs may apply to administer their share of the public goods charge paid by participating customers, and the City intends to petition the California Public Utilities Commission (CPUC) to administer the portion of the mandated Public Goods Charge (PGC) funds collected from CleanPowerSF customers in order to fund local energy efficiency measures and programs. However, Proposers should not rely on CCA customers' share of the public goods charge to fund demand side programs.

¹⁹ At the time of writing this equates to 15.5% of the overall portfolio: i.e. $0.5 \times (51\% \text{ green by 2021} - 20\% \text{ State RPS})$.

²⁰ Note that the City's goal to develop 360 MW of green resources includes 107 MW of demand -side management programs.

Proposers should describe in detail how (1) demand-side programs would differ from those provided by PG&E, (2) protocols to evaluate, measure and verify demand-side measures, (3) how demand-side measures will be integrated into the CleanPowerSF energy portfolio including assumptions for load growth, (4) how demand-side programs will be funded, and (5) impact of demand-side measures on customers, including rates and implications for switching back to PG&E bundled service.

The proposer would not be the exclusive supplier of demand response and energy efficiency programs – the City managed RFO process may also seek additional resource opportunities including demand side management.

Task 2. Customer and Administrative Services

The CleanPowerSF Supplier shall provide comprehensive customer care, account management and data services for CleanPowerSF. This task requires extensive interaction with stakeholders including but not limited to CleanPowerSF customers, the SFPUC Customer Services Bureau and PG&E. An important element of this task is the regular exchange of customer account data with PG&E via Electronic Data Interchange (EDI) protocol.

Proposers must commit to providing services for this task over the term of the contract (including any renewal periods). However, the City reserves the option to provide these services using internal resources and/or alternative third-party providers prior to the end of any contract term. Proposals should include terms and conditions for a transfer of these services to the City.

Task 2.1. Customer Enrollment

This task consists of providing all services necessary to administer enrollment and departure of customers from CleanPowerSF including exchange and processing of Community Choice Aggregation service requests via EDI protocol with PG&E at program start up and during steady-state operations.

Task 2.2. Data and Billing Administration

This task consists of providing all services necessary to manage customer data, issuing monthly bills through PG&E's billing process and tracking customer payments. Services include the EDI exchange of customer usage, billing, and payments data with PG&E; tracking of customer accounts receivables and payments; issuance of late payment and/or termination notices; and administration of customer deposits.

Task 2.3. Customer Services

This task consists of providing customer service including a call center to respond to customer billing inquiries and requests for specific program information. The supplier shall respond to specific customer inquiries about billing, rates and characteristics of CleanPowerSF's resource portfolio and other program offerings.

Proposals should demonstrate that the Proposer has the capability and experience to meet the following customer service standards:

- Customer calls:
 - A minimum of 80% of all calls will be answered within 20 seconds.

- 100% of voicemail messages will be answered within one business day.
- Customer emails:
 - 100% of emails receive an immediate automated acknowledgement
 - 95% of emails receive a customized response within one business day of receipt.
 - 100% of emails receive a customized response within three business days of receipt.
- Customer letters and faxes:
 - 95% of written correspondence is responded to within five (5) business days of receipt
 - 100% of written correspondence is responded to within ten (10) business days of receipt.
- Customer complaints:
 - Customer complaints on matters under the control of CleanPowerSF: Supplier will decide on a course of action to resolve the complaint and communicate it to the customer within three (3) working days. Supplier will communicate the complaints resolution to the customer within 10 working days.
 - Customer complaints on matters under the control of PG&E: Supplier will refer the customer to PG&E.

5. Customer Rates, Rate Setting and Pricing Structure

The City is seeking pricing proposals that establish rates to be charged to CleanPowerSF customers, with such rates sufficient to cover all costs of the CleanPowerSF program.

Combined Proposals and Task 1 Only Proposals

Proposed rate structures for combined proposals or proposals for Task 1 only should include the following elements:

Meet or Beat PG&E Rates. CleanPowerSF rates must be structured such that when service commences, customers' overall cost of electricity will be equal to or less than bundled service from PG&E, and such that over the contract term (including renewal periods), customers' electricity costs are expected to remain competitive with PG&E rates, with CleanPowerSF rates increasing at no more than 3.7% per year (PG&E's historical increase in generation rates). Rates and resulting electricity costs for customers must account for all surcharges that may be imposed by PG&E on CCA customers, such as the Power Charge Indifference Adjustment (PCIA). Rate and pricing proposals must allow CleanPowerSF to offset, through reduced generation rates, rebates or other mechanisms, any surcharges imposed by PG&E on CCA customers that are not charged to PG&E's bundled electric customers.²¹ Pricing schedules must include Proposer's forecast of the Power Charge Indifference Adjustment (PCIA) and Franchise

²¹ Currently, these charges include PG&E's Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge.

Fee Surcharge²² and the proposal narrative must describe how CleanPowerSF generation rates and/or other CleanPowerSF rate components will be structured to offset these PG&E surcharges. For purposes of this calculation, proposals for Task 1 only should assume that the cost of Task 2 is zero. In proposals for Task 1 only, line items “Customer service (call center),” “Billing and data exchange,” and “Other Task 2 costs (describe),” should be left blank.

Self Funded, No Recourse to the City. The City is seeking proposals that are self-funded through customer rates and that take best advantage of available external financing and funding sources. Over the term of the Contract proposed under this RFP, proposers must recover the whole cost of delivering Tasks 1 and 2 as well as the City’s costs of administering the program²³ and costs to make CleanPowerSF customers whole for PG&E surcharges, from customer rates and/or external sources of funding, with no recourse to the City or City obligation to fund shortfalls in customer receipts or cost overruns.

Rate Stability. In order to provide rate stability, Proposals should include a prudent “rate stabilization fund” amount that would set-aside funds in low-cost years to avoid rate increases in high-cost years and to avoid unexpected rate increases. The City is open to creative proposals for the structure of a rate stabilization mechanism.²⁴

Comparable Service Offerings and Rate Schedules. Rates must be non-discriminatory among customer classes. CleanPowerSF is seeking innovative rate offerings that contribute to achieving the City’s goals while at the same time providing San Francisco residents and businesses with continuity regarding their current energy service offerings. For example, customers enrolled on non-standard PG&E rate schedules and programs such as California Alternative Rates for Energy, net energy metering, time of use, and others, should not have their energy services or billing structures adversely affected.

Managed Opt Out Risk. The City is seeking rate proposals that effectively manage opt out and volumetric risk for the Supplier, and allow for the CleanPowerSF program to support itself under a range of enrollment and participation levels, without the need for burdensome or excessive departing load (switching) charges for customers. Proposers may propose departing load (switching) charges to mitigate opt out risk for the Proposer, however, the terms and structure of any such charges must be described in detail. The City prefers proposals that minimize the need for such charges.

²² The Franchise Fee Surcharge (PG&E Tariff E-FFS) is a per-kilowatt-hour surcharge that PG&E imposes on its customers that purchase their electricity supplies from third parties. This tariff applies to all non-exempt direct access and CCA customers based on their vintage. The tariff is designed to collect what these customers would otherwise pay for their share of PG&E’s costs for the franchise fees PG&E pays across its service territory. PG&E collects bundled customers’ share of franchise fees through transmission, distribution and generation charges.

²³ Proposers should assume City administrative costs of \$5 million per year for the purposes of this RFP and in rate proposals.

²⁴ Note that the rate stabilization reserve may also be structured to be used by the City to fund the construction of green generation resources identified through the RFO process, however, proposals are not required to allow for such amounts. More information on these and other risk mitigation strategies can be found in the Navigant Risk Analysis Report and the draft Implementation Plan prepared by Local Power, which can be found at the LAFCo website.

Task 2 Only Proposals

Proposals for Task 2 only are not expected to provide rate structures, but should provide the cost information for Task 2 services as described in Section IV.3.I.

Overall Rate Review and Rate Approval

To meet City goals for rate stability and rate certainty, the City is seeking rate proposals that set rates at the start of the program for multi-year periods, without the need or requirement for interim rate adjustments. CleanPowerSF rates and fees will be set through a public process that includes review by the Rate Fairness Board. Rates and fees will be established by the SFPUC at a public meeting and are subject to rejection by the Board of Supervisors at a public meeting.²⁵ Proposed rates, fees and underlying cost information will be made public pursuant to the Brown Act and the San Francisco Administrative Code prior to SFPUC approval. The City intends to seek upfront approval of CleanPowerSF rates for the initial several years of the program that include the costs for Tasks 1 and 2, consistent with the prices and terms agreed to by the Supplier(s) and City staff. Subsequent rate and fee changes for later multi-year periods will be made through a similar public process.

²⁵ See San Francisco City Charter Sec. 8b125

V. BID THRESHOLD REQUIREMENTS

The first step in the evaluation procedure will be to assess proposals for compliance with threshold criteria listed below in Sections V.1 (Minimum Qualifications) and V.2 (Minimum Proposal Requirements). Proposals that fail to satisfy all of the threshold requirements will not be scored.

1. Minimum Qualifications

The City is seeking proposals from entities sufficiently qualified, experienced and capable of providing CCA services. The prime Proposer and/or JV partners (and their specified key subcontractors) must demonstrate expertise relevant to the tasks included in the proposer's response. The following is a list of the City's minimum requirements for proposer qualifications. Prime proposers or JV partnerships that do not possess the required minimum qualifications for the tasks they bid on shall be deemed not qualified, and shall not be scored. Proposals must provide documentation sufficient to demonstrate that Minimum Qualifications described below have been met (see summary table included in Appendix P). Each bullet below describes a minimum qualification, and whether it is required for responses to Task 1 and/or Task 2.

- **(Task 1 and Task 2) References.** A minimum of three references must be provided for each proposal. References should be knowledgeable about the proposer's experience providing related services with the following information for each reference: organization, name of contact, phone number of contact, title/role of contact and a description of services provided. Firms bidding on both tasks must provide three references for the entire proposal. Firms bidding on only one task must also provide three references.
- **(Task 1 and Task 2) Prime Proposer Financial Requirements.** The prime proposer must furnish documentation showing that it currently has and has had in the prior two (2) years, a credit rating of at least Baa3/BBB- (the Credit Rating Requirement). Any prime proposer that does not meet the Credit Rating Requirement must furnish a letter from a parent entity that satisfies the Credit Rating Requirement. The letter must state:
 - The proposed relationship between the proposer and the guarantor;
 - That the guarantor meets the Credit Rating Requirement, with written documentation attached;
 - That the guarantor will be a co-signatory to the final contract and will guarantee the proposer's obligations as described in the RFP and the proposal; and
 - That the guarantee will be irrevocable for the life of the contract.
- **(Task 1 and Task 2) JV Partner/Sub-contractor Financial Requirements.** Each JV partner and key sub-contractor must furnish documentation showing that they meet the Credit Rating Requirement. Any JV partner or key sub-contractor that does not meet the Credit Rating Requirement must furnish a letter from a JV partner (or its parent guarantor) that does meet the Credit Rating Requirement. The letter must state:

- The proposed relationship between the JV partner/sub-contractor and the guarantor;
- That the guarantor meets the Credit Rating Requirement, with written documentation attached ; and
- That the guarantor will be a co-signatory to the final contract and will guarantee the JV partner/sub-contractor's obligations as described in the RFP and the proposal; and
- That the guarantee will be irrevocable for the life of the contract.
- **(Task 1 and Task 2) Business Registration.** The prime proposer and all JV partners must furnish documentation showing that they are registered to do business in California.
- **(Task 1 and Task 2) Audited Financial Statements.** The Prime Proposer (or its parent guarantor) and each JV partner (or its parent guarantor) must provide financial statements for the two (2) most recent full fiscal years, certified by a reputable public accounting firm as accurately presenting the financial position, and prepared in accordance with generally accepted accounting principles.
- **(Task 1) Energy Industry Experience.** The prime proposer or a member of a JV partnership must demonstrate that it has the following:
 - ***Energy Procurement Experience:*** three (3) years of experience procuring electric energy supplies, resource adequacy, ancillary services and load following.
 - ***Renewable Portfolio Standards Experience:*** at least one (1) year of experience with procuring and managing energy supplies that includes renewable products and compliance with State RPS requirements.
 - ***Certified Energy Scheduler:*** the prime proposer or a member of a JV partnership must be certified as a CAISO scheduling coordinator. If the prime proposer or a member of the JV partnership is not a certified scheduling coordinator, the proposal must put forward a third-party to serve in this key capacity. The City requires the proposal to be co-signed by the anticipated third party scheduling coordinator, verifying the intended business relationship and the anticipated scope of services to be provided.
- **(Task 2) Customer Care and Billing Experience:** The prime proposer or a member of a JV partnership must demonstrate that it has the following:
 - ***Customer Accounts and Billing Administration Experience:*** at least (1) year of experience managing and administering customer accounts, tracking customer usage, issuing bills, monitoring payments, issuing late payment/termination notices and administering customer deposits, and carrying out EDI functions. If the prime proposer or a member of the JV partnership does not have customer accounts and billing administration experience, the proposal must put forward a third party to serve in this key capacity. The City requires the proposal to be co-signed by the anticipated third-party customer accounts and billing administration

firm, verifying the intended business relationship and the anticipated scope of services to be provided.

- **Customer Care Experience:** at least one (1) year of experience responding to customer inquiries, including managing a call center. If the prime proposer or a member of the JV partnership does not have customer care experience, the proposal must put forward a third party to serve in this key capacity. The City requires the proposal to be co-signed by the anticipated third-party customer care manager, verifying the intended business relationship and the anticipated scope of services to be provided.

2. Minimum Proposal Content Requirements

Responses that do not comprehensively provide the services required for all parts of the task the Supplier is proposing to provide shall be deemed non-responsive, and shall not be scored. The following are minimum content requirements that each proposal must satisfy in order to be eligible for scoring:

- **(Tasks 1 and 2) Complete Proposal:** Proposals must be complete consistent with the requirements of section VI.
- **(Tasks 1 and 2) City Contracting Requirements.** The prime proposer and JV partners must be willing and able to comply with the City contracting requirements set forth in Section XII of this RFP;
- **(Tasks 1 and 2) Response to Tasks.** Responses that do not either provide A) all of Task 1 and 2, or B) all of Task 1, or C) all of Task 2, shall be deemed non-responsive and shall not be scored. Comprehensive discussion of components for Tasks 1 and 2 are provided in Section IV.4.
- **(Tasks 1 and 2) No New Construction.** Proposals must ensure that facilities that have not undergone appropriate permitting and CEQA review are not required to meet the Supplier's electricity supply obligations (including renewable and green content commitments).
- **(Task 1) RPS Compliance.** The proposal must be compliant with State law and regulations regarding RPS requirements for CCAs.
- **(Task 1) Meet or Beat PG&E Rates.** CleanPowerSF rates must be structured such that when service commences, customers' overall cost of electricity (including any PG&E surcharges on CCA customers) will be equal to or less than bundled service from PG&E, and such that over the contract term (including renewal periods), customers' electricity costs are expected to remain competitive with PG&E rates, with CleanPowerSF rates increasing at no more than 3.7% per year (PG&E's historical increase in generation rates).
- **(Task 1) Completed Pricing Schedules for Task 1.** Appendix D forms relating to pricing proposal must be completed in full.
- **(Task 1) Pricing Narrative for Task 2.** Proposers must provide a narrative description of the revenue requirement for Task 2 services, including annual revenue requirement amounts and any per-customer costs. See Section VI.3.I

- **(Task 1) No Competition for Customer Base.** An agreement that proposer offering Task 1 services will not offer substantially similar services as offered by CleanPowerSF to any customers within CCSF boundaries during the term of the contract and for the twelve (12) month period following termination of the contract, except as may be required under preexisting direct access agreements.
- **(Tasks 1 and 2) Acknowledgement of City's Draft Contract Terms.** The proposer must complete the form in Appendix E indicating that it has read the summary of the City's draft contract terms and indicating any terms to which it takes exception.
- **(Tasks 1 and 2) Acknowledgement of Service Agreement with PG&E.** The Proposer should review the City's CCA Service Agreement with PG&E located at Appendix A. The City may be able to negotiate revisions to this agreement. The proposer must complete the form in Appendix A indicating that it has read the Service Agreement and indicating any terms to which it takes exception.

VI. PROPOSAL

1. Proposal Submittal Instructions

Proposals must be received **no later than 12:00 p.m. November 3, 2010**. Postmarks will not be considered evidence of delivery. Late proposals may be deemed non-responsive and rejected.

Proposal packages should be mailed to:

San Francisco Public Utilities Commission
Contract Administration Bureau
Attn: Kofo Domingo
RE: CS-160 Electricity Supply Services for Community Choice Aggregation Program
1155 Market Street, 9th Floor
San Francisco, CA 94103

Proposal packages should be delivered to:

San Francisco Public Utilities Commission
Contract Administration Bureau
Attn: Kofo Domingo
RE: CS-160 Electricity Supply Services for Community Choice Aggregation Program
1155 Market Street, 1st Floor
San Francisco, CA 94103

Proposal submission packages must include:

- **Written Proposal and Exhibits** : Seven (7) CDs containing files in .pdf format of the proposal and any related information (See Section VI.2);
- **Pricing Schedule**: Proposers must submit an electronic file (compatible with Microsoft Excel) containing Appendix D forms. (Required for comprehensive proposals or for proposals for Task 1 only.)
- **Completed Forms**:
 - **HRC/Local Business Enterprise (LBE) Forms**: Please submit one (1) original and one (1) copy of HRC Appendix F forms in a separate sealed envelope labeled “HRC/LBE Forms - ***CS-160 Electric Supply Services, Community Choice Aggregation Program*** by [Proposer’s Name.]“(See Sections VI and XI.1);
 - **HRC/12B & 12C Form**: One (1) original and one (1) copy of HRC Appendix G form (Form No. 12B-101) in a separate sealed envelope labeled “HRC/12B Forms - ***CS-160 Electric Supply Services, Community Choice Aggregation Program***” (See Section VI and Section XI.2)
 - **First Source Hiring Program Certification Form**: One (1) original and one (1) copy of the First Source Hiring Program Certification form Appendix H in a separate sealed envelope labeled “First Source Hiring Program Certification Form - ***CS-160 Electric Supply Services, Community Choice Aggregation Program*** by [Proposer’s Name.]” - (See Section XII.4);and
 - **Other Required City Forms**: One (1) original and one (1) copy of the following forms in a separate sealed envelope labeled “Other Required City Forms -

Business Tax Registration Declaration (Appendix I), Release of Liability Form (Appendix K), MCO/HCAO Declaration Forms (Appendix L and Appendix M) - *CS-160 Electric Supply Services, Community Choice Aggregation Program* by [Proposer's Name].”

2. Written Proposal and Exhibits: Proposal Format and Contents - Overview

The proposal must be provided electronically, presented in the form of a written report which shall be clear, concise and responsive to all RFP requirements. The text in the main proposal report (sections A-N below), including tables and figures, shall not exceed fifty five (55) pages. Proposals should be formatted for 8.5 x 11 inch paper (larger size paper can be used for figures and organization charts) and use a minimum font of 10 pts with minimum margins of 1 inch. Proposer shall number every page of the proposal, beginning with the cover letter, including pages with tables and figures.

The Proposer shall refer to Section VI.4 (Supplemental Proposal Requirements) for additional documents (including the Pricing Schedule) that must be prepared and submitted separately from the main proposal report.

The written proposal report must be separated into the following subheadings:

- A. Cover Letter
- B. Executive Summary
- C. Proposer Information and Qualifications
- D. Financial Strengths and Capabilities
- E. Program Design, Phasing, and Risk Management
- F. Task 1 Description
- G. Task 2 Description
- H. Community Benefits
- I. Customer Rates, Pricing Structure and Revenue Requirement
- J. Key Team Member Qualifications
- K. Project Team Organization and Availability
- L. Local Business Enterprise Efforts
- M. Satisfaction of Minimum Qualifications
- N. References

Exhibit A – Organizational Chart

Exhibit B – Key Team Members Resumes

Exhibit C – Acknowledgement of Key Contract Terms

Exhibit D – Acknowledgement of Service Agreement

Exhibit E – Pricing Proposal and Rate Schedules

3. Proposal Format and Contents - Detailed

The respective subheadings listed above must include the following information describe below.

A. Cover Letter

Submit a cover letter signed by an individual authorized to obligate the Proposer to fulfill the commitments contained in the proposal. The letter must include the following: (1) a statement identifying the Lead Proposer if a JV is responding to this RFP; (2) a contact for all communications pertaining to the Proposer's proposal (include telephone number, fax number, e-mail address and mailing address); (3) a statement of the Proposer's overall ability and qualifications to conduct the work; (4) a statement that the proposal meets the threshold requirements set forth in Section V;(5) a statement that the Proposer agrees to fully comply with all applicable San Francisco laws; and (6) a statement indicating which tasks the Proposer seeks to provide.

The City requires the proposal to be co-signed, as applicable, by the anticipated third-party firm(s) providing (1) scheduling coordinator services, (2)customer accounts and billing administration services, and (3) customer care management, verifying the intended business relationship and the anticipated scope of services to be provided.

B. Executive Summary

Provide an executive summary that (1) includes a brief overview of the proposal's principal elements, (2) demonstrates an understanding of the City's goals and project objectives, and (3) describes the approach for carrying out the scope of services.

At a minimum, the executive summary should discuss the following, as appropriate to the task(s) included in the proposal:

- The Proposer's overall approach for meeting goals and objectives of this RFP;
- For Task 1 proposals, a summary description of proposed rate structure for CleanPowerSF customers and how the structure is designed to provide rate stability and rates that are competitive with rates for PG&E bundled service, both initially and over the contract term (and renewal periods); for Task 2 proposals, a summary of the proposed pricing structure.
- Overall average per kilowatt hour rate for all customers based on the above, by year;
- For Task 1 proposals, the incorporation of renewable energy on an annual basis, characterized as a percentage of overall sales, utilizing the definitions of (i) renewable as specified in California's RPS rules, (ii) "green resources" per the definition in this RFP, and (iii) GHG free energy;
- For Task 1 proposals, an overview description of the proposed sourcing (location) of renewable resources and other specified resources;
- For Task 1 proposals, percentage of renewables that are based on use of Renewable Energy Certificates (RECs);
- For Task 1 proposals, an overview description of the energy efficiency and demand response programs to be included in the green supply portion of the portfolio;

- A description of how the Proposer will work with other Supplier(s) if Proposer proposes to provide only one Task; and
- An overview description of how the proposal will effectively manage the financial, credit and collateral obligations of the CleanPowerSF program such that financial risks for CleanPowerSF customers are minimized, and confirmation that the proposal will be funded solely through CleanPowerSF receipts from customers or other external financing sources, with no recourse to other City funds.

C. Proposer Information and Qualifications

The prime Proposer and/or JV partners (and their specified subcontractors) must demonstrate and provide sufficient information in the proposal for the Selection Panel to evaluate the Proposer's ability to successfully complete the tasks outlined in the scope of services, including but not limited to the minimum qualifications described in Sections V.1 and the desired skills and services listed in Section I. Proposals should address the following elements as relevant to the task proposed:

All Proposals:

- **Qualifications and Staffing.** Breadth and depth of management experience and personnel sufficient in number, availability and qualifications to perform the proposed task(s) in the manner required by the City;

Proposals Addressing Task 1:

- **Energy Procurement Experience.** Breadth and depth of experience procuring electric energy supplies, including meeting renewable energy standards, planning reserves/resource adequacy, ancillary services, load following and scheduling coordination;
- **Renewable Energy Procurement Experience.** Breadth and depth of experience procuring renewable energy to meet state renewable energy standards and demonstrated ability to procure sufficient renewable energy (of varying types, terms, and products as necessary) to meet CleanPowerSF program targets;
- **Energy Efficiency and Demand Response Experience.** Breadth and depth of experience developing and implementing energy efficiency and demand response programs and projects, including design and implementation of performance metrics and evaluation, measurement and verification protocols;

Proposals Addressing Task 2:

- **Customer Enrollment.** Breadth and depth of experience and demonstrated ability to provide all services necessary to administer customer enrollments and departures;
- **Billing Administration.** Breadth and depth of experience with and demonstrated ability to provide services necessary for customer billing and payment, tracking customer usage,

customer accounts receivable and payments, issuing late payment/termination notices and administering customer deposits;

- **Electronic Data Interchange.** Breadth and depth of experience transferring energy and financial data using the EDI format; and
- **Customer Services.** Breadth and depth of experience managing a call center and providing customer service.

D. Financial Strength and Capabilities

All proposals should include:

- **Financing Plan.** Description of a plan for financing services contained within the proposal, including, if available, demonstration of access to reasonable levels of performance security commensurate with provision of the requested services; and
- **Financial Capacity.** Demonstration of credit and financial capacity to provide services on terms proposed, including ability to absorb financial risk of revenues below costs.

In addition, proposals addressing Task 1 should include:

- **Bond or Insurance to Cover Customer Reentry.** Demonstration of ability and willingness to post and maintain a bond or obtain insurance sufficient to cover the potential cost associated with the involuntary return of customers to PG&E resulting from Supplier's default, as such reentry costs are established by the CPUC. Supplier will be responsible for actual reentry fees assessed by PG&E regardless of the posted bond or insurance amount; and
- **Collateral.** Demonstration of ability to post collateral that may be required by any third-party energy suppliers used to satisfy the Proposer's full requirements supply obligations.

E. Program Design, Phasing, and Risk Management

The Proposer should describe the approach proposed to successfully carry out the tasks Proposer is offering to perform and to meet the City's requirements for CleanPowerSF, including but not limited to the following, as applicable to the task being proposed:

- **Meeting City Goals.** Overall approach and timeline for meeting the City's goals and objectives for the CleanPowerSF program, including (i) providing competitive rates and pricing, (ii) maximizing provision of renewable and green energy supplies, and (iii) minimizing financial risks to the City and participating customers;
- **Project Schedule.** Including:
 - **Milestones and Deliverables.** Proposer must identify key milestones and describe its approach for coordinating/managing all work activities to meet identified milestones. Proposals should include all key milestones, and at a minimum should include the following: 1) final EDI setup and testing, 2) customer service center online, 3) cut-over date for serving customers;

- **Customer Phase-in.** A description and justification of the approach taken to customer phase-in. All phasing proposals should describe the rationale and benefit (in terms of customer rates, risk mitigation, or other features) that are provided by the proposed phasing arrangement, including as applicable, a description of customer loads and any characteristics that drive phasing alternatives;
- **Management of Customer Opt Out Risk.** A description of how opt out (volumetric) risk will be managed. Specifically, Proposer should assume a reasonable opt out rate, and clearly specify what opt out rate is assumed in the proposal. Proposer should state 1) whether proposed rates and pricing will include departing load (switching) charges for customers that opt out or return to PG&E service, 2) whether proposed rates and pricing apply to specific forecast energy volumes, and 3) any charges or proposed mechanisms that would be employed to adjust prices should actual load of the CleanPowerSF program deviate from specified forecasts. (Note that preference will be given to proposals that do not include volumetric bands or adjustments and do not include departing load (switching) charges);²⁶
- **Management of Financial Risk.** A description of Proposer’s financing plan and ability and commitment to provide any collateral, bonds, or other financial security that may be required to support CleanPowerSF’s operations, including provision of financial security required by PG&E and/or the CPUC to cover the cost of returning CleanPowerSF customers to PG&E in the event of program termination, and demonstration that the proposal is structured so that Supplier’s costs for its services will be funded solely from rates and fees charged to CleanPowerSF customers, with no funding obligations, guarantees, credit or revenue support to be provided by the City;
- **Management of Regulatory Risk.** A description of potential impacts on the program and how these will be managed from pending CPUC decisions on PG&E ratemaking applications, for example, PG&E’s pending general rate case applications (revenue requirements and rate design) and PG&E’s pending fuel and purchased power cost recovery application (ERRA 2011);
- **Program Success Metrics.** A description of the measures the Proposer will use to determine success and the conditions required for the program to be a viable ongoing concern, include participation rates by customer class as well as proposed measures to take if the program is determined to not be viable; and
- **Local Jobs and Benefits.** Approach to providing community benefits and local jobs including engagement of San Francisco LBEs.

F. Task 1 Description: Electric Procurement and Load Management

Proposers should provide a detailed description of how the Proposer proposes to execute the work associated with Task 1 outlined in Section IV.4. The task description should be detailed

²⁶ Proposals for Task 2 only should describe how they would incorporate various approaches for phasing in customer enrollment.

enough to clearly identify the work to be performed and should include, as appropriate, the following information:

- Task-specific approach and associated work elements;
- Dependencies on/among other tasks (including activities of others and required key information);
- Responsible party within the Proposer or JV Partners; and
- Intermediate deliverables and portfolio characteristics on specified timeline.

The task description should address all of the particular proposal requirements identified in Section IV.4 including the following specific items:

- **Full Requirements Supply Description.** The proposal should identify all resources (including: energy, capacity, environmental attributes, ancillary services, contributions towards resource adequacy requirements, and any other relevant attributes associated with full requirements supply) that will be dedicated to supplying energy for the CleanPowerSF program;
- **Progression Towards Green Energy Goals; Portfolio Mix Specification.** The proposal should provide details and timeline for phasing in renewable energy and meeting State RPS requirements and program green resource objectives as described in Section IV.4, and should specify the green resource mix that will be provided annually, over the term of the agreement, by type (e.g. technology, reliance on unbundled RECs, etc.) and source (location). The proposal must show significant progression during the initial term of the contract towards the City goal of 51% green resources;
- **Demand Side Resources.** The proposal should set forth the strategy and process by which demand-side programs differ from PG&E and will be incorporated into the portfolio; and
- **Resource Substitution.** An approach for resource substitution is set forth in the summary of key contract terms. Any change to this approach must be noted on proposer's Exhibit C;
- **Risk Management Policies.** Proposed risk management policies are set forth in the summary or key contract terms. Any change to this approach must be noted in proposer's Exhibit C.

The Proposer may suggest additional tasks to meet the City's goals.

G. Task 2 Description: Customer and Administrative Services

Proposers should provide a detailed description of how the Proposer proposes to execute the work associated with Task 2 outlined in Section IV.4. The task description should be detailed enough to clearly identify the work to be performed and should include, as appropriate, the following information:

- Task-specific approach and associated work elements;
- Dependencies on/among other tasks (including activities of others and required key information);

- Responsible party within the Proposer or JV Partners;
- Intermediate deliverables on specified timeline

The task descriptions should address all of the requirements identified in Section IV.4 including the following specific items:

- **Customer Care Coordination.** Describe how Proposer will operate call center to respond to specific customer inquiries about billing rates and resource portfolio;
- **Electronic Data Interchange.** Describe how the Proposer will interface with PG&E, including initiation and set up of EDI communications, and transfer of any other necessary meter, billing and payment data information with PG&E;
- **Start Up (Mass) Enrollment.** Describe how the Proposer will interact with PG&E to establish which customers to enroll and the process for enrolling those customers;
- **Account Data Management.** Describe how the Proposer will maintain customer account and payment information;
- **Invoice and Payment Procedures.** Describe the Proposer’s invoicing process, including timing for payments to Proposer relative to CleanPowerSF receipt of customer payments. As described in Section IV.4, the City will establish a segregated control account for collection of customer receipts and disbursement of CleanPowerSF funds to cover program costs; and
- **Early Termination and Transfer Procedures.** Detail the Proposer’s terms and conditions that will allow for the City to take over some or all of these customer administrative services tasks (in house or with alternative vendor(s)) prior to expiration of any contract term (including renewal periods) and any program elements that are designed to minimize the costs and other resources required for such a transition.
- **Flexibility.** For proposals to provide Task 2 services only, Proposers should address the firm’s ability and plans for scaling systems for a variety of customer phasing options.

The Proposer may suggest additional tasks to meet the City’s goals.

H. Community Benefits

Each proposer should identify any other specific community benefits that would be provided as part of the proposal, that meet City objectives.²⁷ Examples of community benefits include, but are not limited to: creating local jobs including and in addition to compliance with LBE and First

²⁷ San Francisco’s Electric Resources Plan identifies eight goals in the development of the City’s planning of electric resources, many of which are inherent in CleanPowerSF programmatic goals. The December 2002 Revision can be found on the SFPUC website:
http://sfwater.org/detail.cfm/MC_ID/12/MSD_ID/138/MTO_ID/239/C_ID/1346

Source requirements, use of trainees from the City's economic workforce development programs, such as Green Jobs, CityBuild, and support of the City's Green Business program.²⁸

The SFPUC has an Environmental Justice Policy that should be taken into consideration by bidders as they address Community Benefits (see Appendix O).

I. Customer Rates, Pricing Structure and Revenue Requirement

Proposals addressing Task 1 shall include (1) a narrative description of proposed customer rates and rate design and (2) the detailed pricing schedules per Exhibit E (proposer's Exhibit E tables to be completed and submitted by Proposer). Proposals for Task 1 only should assume that the cost for the customer service (call center), billing and data exchange, and other Task 2 expenses are zero dollars (\$0). The rates and pricing proposal must be consistent with the City's goals as described in this RFP, the rate requirements described in Section IV, and must address the following specific items:

- **Initial Rates.** Describe initial pricing and the term of initial prices and rates, and adjustments required (if any) to allow for changes in PG&E's rates from current levels to those in effect at the time of commencement of service to CleanPowerSF customers;²⁹
- **Rate Adjustment Mechanisms.** Describe any proposed mechanism for adjustment of prices and rates, including a description of any indices and/or formulas used for annual rate adjustments resulting from changes in RPS requirements or resource substitution, or other periodic price adjustments. Include a description of protections for CleanPowerSF customers to provide assurances that rate adjustments are reasonable and consistent with the goals of the program;
- **Rate Design.** A description of proposed rate design across and within customer classes. The City welcomes creative tariffs that will contribute to meeting the City's goals, including net energy metering and electric vehicle tariffs;
- **PG&E Cost Responsibility Surcharges.** A description of how rates will be structured to offset any PG&E surcharges imposed on CCA customers (such as the PCIA charge) and a description of how customers will be able to make comparisons to PG&E bundled service;

²⁸ For more information: Environmental Justice Program http://www.sfenvironment.org/our_programs/overview.html; CityBuild <http://www.oewd.org/CityBuild.aspx>; and SF Green business <http://www.sfgreenbusiness.org/>.

²⁹ Proposals should include a description of potential impacts on the pricing proposal of pending CPUC decisions on PG&E ratemaking applications, for example, PG&E's pending general rate case applications (revenue requirements and rate design) and PG&E's pending fuel and purchased power cost recovery application (ERRA 2011).

- **Departing Load Fees and Charges.** Proposers should provide specific proposals regarding the need for any exit fees and/or departing load charges and a detailed proposal about how such fees and charges would be implemented and adjusted;³⁰
- **Uncollectible Accounts.** A description of proposed mechanism(s) (if any) to address any revenue shortfalls that may arise due to the number of uncollectible accounts differing from the number included in the Proposer’s forecast rate;
- **External Financing.** For proposals that include a financing component or external sources of funding, a description of the expected terms and conditions of such financing arrangements including required rate making commitments (if any) and a detailed description of financial, technical and operational capabilities of proposed financing sources;
- **External Revenue Sources.** A description of proposed revenue sources (if any) in addition to customer receipts/payments, including, but not limited to use of City, State and Federal incentives;
- **Customer Generation.** A description of how net energy metering will be implemented using rate design to maximize incentives and customer participation;
- **Rate Stabilization Reserve.** A description of how a “rate stabilization reserve” would be structured to set-aside funds in low-cost years to avoid rate increases in high-cost years and to avoid unexpected rate increases; and
- **Other Program Elements.** Proposers should identify and describe any other program elements that have an impact on customer rates and/or terms and conditions of service.

Indicative pricing proposals are acceptable; however, proposals should include both a timeline and mechanism and/or process for providing final price confirmations (including the City’s acceptance of those confirmations). Proposals should clearly specify proposed mechanisms and timelines for rate adjustments over the contract term, including protections for CleanPowerSF customers to provide assurances that rate adjustments are reasonable and consistent with the goals of the program.

Proposals addressing Task 2 shall include a separate pricing section that includes a narrative description of proposed revenue requirement and pricing structure, including fixed and variable cost components and the describing the relationship of cost to the size of the program. The pricing proposal must address the following specific items:

- **Customer Service Costs.** Proposers must separately identify annual revenue requirements for operation of customer care and call center, including any per-customer costs.

³⁰ Proposers shall include in their proposals any exit fee structure that may be imposed for customers that switch after the opt out period, and specify if there is any requirement for duration that a customer remain with CleanPowerSF.

- **Billing and Data Exchange.** Proposers must identify annual revenue for operation of customer account, billing, and data exchange services, including any per-customer costs.
- **Rate Changes.** Proposers must describe their ability to accommodate rate changes and incorporate new rates in customer bills.
- **Transfer to City.** Proposers must specify any termination or transfer payments due if services are terminated by the City prior to the end of any contract term.

J. Key Team Member Qualifications

Briefly describe the role, responsibilities, qualifications, and company affiliation of each individual on the Proposer Team for the scopes of services outlined in this RFP. Discuss Team members' background and experience that demonstrate a strong ability to successfully perform the work.

Resumes of key personnel should be attached as Exhibit B to the proposal. Such resumes should contain sufficient information and detail for the Selection Panel to evaluate the ability and experience of each key Proposer Team member to successfully fulfill their roles and complete the scope of services.

K. Project Team Organization and Availability

The Proposer should clearly outline how the Proposer Team will be organized and should demonstrate the Team's strong commitment to this project. Proposer should attach an Organizational Chart that illustrates the team structure as Exhibit A to the Proposal.

L. Local Business Enterprise Efforts

Proposers will be expected to make concerted efforts to select HRC certified Local Business Enterprise (LBE) subcontractors. The participation goal for utilization of HRC certified LBE subcontractors will be ten percent (10%) by overall value of non-energy supply procurement. Each proposer responding to this solicitation shall document any LBE subcontractor solicited and selected to be used in performing the contract in the Team Participation List (Appendix N) and incorporate the list in Section L of the proposal.

For each LBE identified as a subcontractor, the response must specify the value of the participation as a percentage of the total value of the non-energy supplies to be procured and the type of work to be performed. LBEs identified as subcontractors must be certified with the San Francisco Human Rights Commission at the time the proposal is submitted, and must be contacted by the Proposer (prime contractor) prior to listing them as subcontractors in the proposal.

If the selected Proposer does not meet the ten percent (10%) HRC Certified LBE subcontracting goal in the proposal, Proposer will be required to meet the goal in order to be eligible for agreement award. During the term of the agreement, any failure to comply with the level of LBE subcontractor participation specified in the contract shall be deemed a material breach of contract.

LBE subcontracting goals can only be met with HRC-certified LBEs located in San Francisco.

M. Satisfaction of Bid Threshold Requirements

Provide sufficient information to demonstrate that the Minimum Qualifications and Minimum Proposal Requirements described in Section V have been satisfied (see summary tables in Appendix P), including specific references to sections of the proposal and proposal exhibits.

N. References

Each Proposal must provide a minimum of three (3) references. Each reference shall include:

- Project scope summary;
- Proposer's role and responsibilities in the project;
- Proposer staff members who worked on the project;
- Client name, reference name and reference contact information, including title, company name, address, telephone number, fax number and email address. The reference must be knowledgeable about the work of the Prime Proposer or JV Partner on the project;
- Dates when the project was performed (start and end dates); and
- Project costs.

These references will be considered as part of the evaluation of written proposals. Therefore, as part of the proposal submission, Proposers must sign a Release of Liability (see Appendix K). SFPUC will not be responsible for non-responsive references or references with incorrect contact information. A reference will be found non-responsive if the Proposer's information cannot be verified by a reference within seven (7) calendar days of first contact attempt by SFPUC staff. The SFPUC may, at its discretion, make contact with any number of individuals, entities or firms provided in the references and will apply the same reference checking criteria to all proposers. In addition, Proposers should note that a failure to provide a properly executed Release of Liability, signed by the Prime Proposer, or if a JV, by all JV partners, may result in a determination by the SFPUC that the proposal is non-responsive.

Exhibit A - Organizational Chart

The Organizational Chart must illustrate the team structure of all proposed staff to be included as Exhibit A of the submitted Proposal.

Exhibit B – Key Team Member Resumes

See above section “.VI.3.J Key Team Members Qualifications for the components of Exhibit B to the proposal.

Exhibit C – Acknowledgement of Key Contract Terms

The Proposer must read the summary of key contract terms provided in Appendix E and indicate any terms with which it would take issue to if it were selected as the preferred bidder. The key contract terms are written for an agreement for both Task 1 and Task 2. In the event that the RFP process results in contracting for these Tasks separately, the key contract terms will have to be adjusted accordingly during the contract negotiation process.

Exhibit D – Acknowledgement of Key Service Agreement Terms

The Proposer must read the Service Agreement provided in Appendix A to this RFP and indicate any terms with which it would take issue to if it were selected as the preferred bidder.

Exhibit E – Pricing Proposal and Rate Schedule (required for proposals addressing Task 1)

The Rate Schedule must use the forms provided in Appendix D showing the proposed customer rates and program costs. The schedule must be consistent with the information provided in “.VI.3.I - Customer Rates, Pricing Structure, and Revenue Requirement”.

Proposers must submit Appendix D forms per instructions in Section VI.1. Appendix D forms include:

- Form 1: Proposal load forecast
- Form 2: Proposal supply forecasts
- Form 3: Unit costs
- Form 4: Program Costs and Revenue Requirement
- Form 5: Average Rate Components and Average Rates
- Form 6: Comparison to PG&E Bundled Service

Appendix D forms will be used to assess Proposers’ response to this RFP. Proposers may add but not remove line items to Appendix D forms. Proposers may submit supplemental forms in addition to Appendix D forms. Proposers should submit comprehensive list of assumptions used in completing Appendix D forms, and electronic files should be dynamic (with formulas intact) to allow for testing and sensitivity analysis of Proposer’s assumptions and pricing structures.

Prices shall be provided for each full calendar year, starting January 2011 for the duration of the proposed contract.

4. Supplemental Proposal Requirements

A. Human Rights Commission Forms

All proposals submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Appendix F. Failure to complete, sign and submit each of the HRC forms may result in the proposal being deemed non-responsive and rejected.

HRC/LBE Forms:

- Form 3 - HRC Non-Discrimination Affidavit;
- Form 4 -HRC Joint Venture Form (if applicable), and
- Form 5 - HRC Employment Form.

Please submit one (1) original and one (1) copy of the above forms with your proposal. The forms should be placed in a separate sealed envelope labeled “HRC/LBE Forms – *CS-160 Electric Supply Services, Community Choice Aggregation Program*” and delivered with the proposal package.

- HRC/12B form (Form No. 12B-101)

One (1) original and one (1) copy of the HRC/12B form (Form No. 12B-101) must be submitted in a separate sealed envelope labeled “HRC/12B Forms - *CS-160 Electric Supply Services, Community Choice Aggregation Program*” and delivered with the proposal package.

- First Source Hiring Program Certification Form.

One (1) original and one (1) copy of the First Source Hiring Program Certification form in a separate sealed envelope labeled “First Source Hiring Program Certification Form - *CS-160 Electric Supply Services, Community Choice Aggregation Program* by [Proposer’s Name.]” - (See Section XII);and

- Other Required City Forms:

One (1) original and one (1) copy of the following forms in a separate sealed envelope labeled “Other Required City Forms - *CS-160 Electric Supply Services, Community Choice Aggregation Program* by [Proposer’s Name].”

- Business Tax Registration Declaration,
- Release of Liability Form, and
- MCO/HCAO Declaration Forms

VII. EVALUATION AND SELECTION CRITERIA

1. Overall Evaluation Process

The evaluation process will consist of: (1) initial screening of bid threshold requirements, (2) written proposal evaluation, (3) evaluation of LBE utilization based on the Team Participation List and (4) oral interview evaluation, if the City chooses to conduct oral interviews. Only proposals that meet the minimum qualifications will be eligible to be scored. Based on the scores assigned during the written proposal and LBE utilization evaluations, up to four (4) of the highest-ranked proposers may be invited to an oral interview.

The Selection Panel will be comprised of individuals who are knowledgeable on the subject matter, and may include staff from the SFPUC, other City agencies, and/or other utilities or organizations.

The points allocated for the written proposal phase are one hundred (100) points for proposals that bid comprehensively on Task 1 and Task 2; eighty (80) points for proposals that bid only on Task 1; and fifty (50) points for proposals that only bid on Task 2. All proposals are allocated ten (10) points for the LBE utilization evaluation phase. If oral interviews are held, comprehensive proposals to provide Task 1 and Task 2 will be allocated twenty five (25) points for the oral interview phase, while Task 1-only proposals will be allocated twenty (20) points, and Task 2-only proposals will be allocated thirteen (13) points.

The City has a preference for a single supplier for the CleanPowerSF program. The City will enter into negotiations with the bidder that submits the highest ranked **comprehensive** proposal to (providing both Task 1 and Task 2) as long as the **comprehensive** proposal receives a minimum of 60 points on the written proposal evaluation. If no **comprehensive** proposal receives at least 60 points on the written proposal evaluation, the City will begin negotiations with the highest ranked proposals that bid on each task separately. The City will only enter into negotiations with Task 1-only proposals that receive at least 45 points, and Task 2-only proposals that receive at least 30 points.

2. Initial Screening

The City will review each proposal to determine if it meets the threshold requirements specified in Section V of this RFP. In this regard, a list of threshold requirements documentation that is acceptable to the City is provided in Appendix P. Proposals determined not to meet the threshold requirements will be rejected and will not be considered in the evaluation process described below.

3. Written and Oral Proposal Evaluation Criteria

The written and oral proposals will be scored on the proposer’s demonstration of its qualifications and ability to meet the City’s goals in sections IV and VI, including, but not limited to, the criteria in the table below. The “Task” column indicates if the “Evaluation Criteria” item and the associated points, applies to proposals including A) Task 1 and Task 2, B) Task 1 Only, or C) Task 2 only. Specific information can be found in the referenced sections:

Evaluation Criteria	Written	Oral	Section	Task
Total Points Available	100	25		
OVERALL EVALUATION	Max. 45 Points			
Proposer Qualifications <ul style="list-style-type: none"> Proposer information and qualifications for Task 1; Proposer information and qualifications for Task 2; Key team member qualifications; Project team organization and availability; Demonstrated understanding of State and local regulatory framework and competitive threats References. 	15		IV.4 VI.3.C VI.3.E VI.3.J VI.3.K VI.3.N	Task 1 and Task 2
Financial Strengths and Capabilities <ul style="list-style-type: none"> Capability to provide sufficient credit and collateral to support Proposer's obligations to CleanPowerSF over contract term and renewal periods 	5		VI.3.D	Task 1 and Task 2
Program Design and Risk Management <ul style="list-style-type: none"> Overall feasibility and comprehensiveness of proposal; Management of opt out risk and supply portfolio risks; no or minimal transfer of program risks to the City; insulation of customers from unexpected rate increases Schedule and phasing; Community benefits. 	15		IV.4 VI.3.E VI.3.H	Task 1
Rates and Revenue Requirement <ul style="list-style-type: none"> Overall rate levels (initially and over contract term), and alignment of rates and rate design with City goals. 	10		IV.5 VI.3.I	Task 1 and Task 2

Evaluation Criteria	Written	Oral	Section	Task
TASK 1: ELECTRIC PROCUREMENT AND LOAD MANAGEMENT	Max. 35 Points			
Full Requirements Electric Supply <ul style="list-style-type: none"> Feasibility and comprehensiveness of proposal to 	15		IV.4	Task 1

forecast, schedule, and procure all energy needs for CleanPowerSF customers.			VI.3.F	
Meeting Green Energy Requirements and Goals <ul style="list-style-type: none"> The City seeks a portfolio that matched PG&E GHG profile, is RPS compliant and 51% “green” by 2021, but proposals that achieve the highest percentages on the shortest timeline with the least dependence on unbundled RECS will receive higher scores. Renewables mix, as percentage; Renewable mix by year; Diversification by type or resource and technology. Proposals to provide energy from local sources will receive the highest score. 	15		IV.4 VI.3.F	Task 1
Energy Efficiency, Conservation and Demand Response <ul style="list-style-type: none"> Comprehensiveness of demand side programs; Proposed integration with supply portfolio; Protocols to evaluate, measure, and verify. 	5		IV.4 VI.2.F	Task 1
TASK 2: CUSTOMER AND ADMINISTRATIVE SERVICES	Max. 20 Points			
Customer Enrollment <ul style="list-style-type: none"> Feasibility and comprehensiveness of proposal for enrollment and opt out mechanisms at startup; and Proposals for ongoing enrolments and departures. 	5		IV.4 VI.3.G	Task 2
Data and Billing Management <ul style="list-style-type: none"> Recording customer information, track revenues and monitoring customer accounts; Proposal to describe how information will be exchanged with PG&E using EDI protocols; Plan for interfacing with PG&E billing department to ensure accurate bills. 	10		IV.4 VI.3.G	Task 2
Customer Service <ul style="list-style-type: none"> Plan for staffing and managing call center volumes upon program startup; proposed methods for achieving City's customer service levels; Alignment of proposal with City’s customer service standards. 	5		IV.4 VI.3.G	Task 2

Written proposal scores will be tabulated and proposers will be ranked starting with the Proposer receiving the highest score, and then continuing with the Proposer receiving the second highest score, and so on.

4. LOCAL BUSINESS ENTERPRISE UTILIZATION EVALUATION

SFPUC staff will assign up to ten (10) points for firms who are able to meet the ten percent (10%) goal of utilizing HRC certified Local Business Enterprises reflected in the Team Participation List (Section VI.3.L.). The participation goal for utilization of HRC certified LBE subcontractors will be ten percent (10%) by overall value of non-energy supply procurement. The points will be assigned as follows:

LBE percentage in Team Participation List	Point(s)
> or equal to 10%	10
7-9%	5
4-6%	1
1-3%	0

5. ORAL INTERVIEW EVALUATION AND FOLLOW UP QUESTIONS

The Selection Panel may hold oral interviews with up to four (4) of the highest ranked Proposers to further evaluate their written proposals.³¹ The SFPUC will send a letter to all Proposers who are invited to an interview regarding the format of the interview and the composition of the Proposer team to participate in the interview. As the oral interview will be used to further evaluate the written proposal, the available oral interview points will be based on the same criteria used for the written proposal, but may be allocated in different proportions. Allocation of the oral interview points across the criteria will be made based on the topic areas of the interview questions, and will be determined prior to the start of the oral interview process.

The interview evaluation process, if conducted, will consist of a Proposer presentation followed by standard interview questions from the Selection Panel, and may include follow up questions if clarification of Proposer's responses is necessary. The same set of interview questions will be used for all Proposers

The Selection Panel will proceed to evaluate each Proposer based on each Proposer's presentation and responses.

6. TABULATING FINAL SCORES

³¹ Should the SFPUC choose to proceed without Oral Interviews, the overall ranking will be based upon the available points for the written evaluation portion, and the available ten (10) points for the LBE Utilization evaluation.

The scores from the Written Proposal, LBE Utilization Evaluation and the Oral Interview will be combined and tabulated using the following overall scoring breakdown:

	Comprehensive Task 1 and Task 2 Proposals	Task 1 Only Proposals	Task 2 Only Proposals
1. Written Proposal	100 points	80 points	50 points
2. LBE Utilization	10 points	10 points	10 points
3. <u>Oral Interview</u>	<u>25 points</u>	<u>20 points</u>	<u>13 points</u>
	135 points	110 points	73 points

Proposers will be ranked starting with the Proposer receiving the highest total score, then continuing with the Proposer receiving the second highest total score, and so on. The City intends to proceed to negotiate a contract with the highest-ranked Proposer or Proposers as permitted by the applicable law.

VIII. ALTERNATIVE BID ITEM

1. Premium product offering(s)

This section will not contribute to proposal scoring but it may be taken into consideration by the City at a later stage. The Proposer may describe the benefits of offering retail supply products that are differentiated by the level of green attributes. Any proposed premium product must be offered alongside a “51% green by 2021” product that meets or beats PG&E rates. The premium product must exceed 51% green, but the other design elements of the premium product (number of products, price premium and renewables content) are at the discretion of the Proposer.

IX. AWARD OF AN AGREEMENT

1. Agreement Preparation

The SFPUC will select proposer with whom SFPUC staff shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the City of all terms of the proposal, which may be subject to further negotiations and approvals before the City may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time the SFPUC, in its sole discretion, may terminate negotiations with the highest ranked proposer and begin contract negotiations with the next highest ranked proposer. As a potential alternative to this process, the City reserves the right to begin negotiations by simultaneously negotiating with more than one highly qualified proposer if the City finds that two or more proposers are highly qualified. If the City were to use this alternate process, such simultaneous negotiations would ultimately lead to individual negotiation of the final terms of the contract(s) with one Proposer or one Proposer per Task.

The SFPUC General Manager will make a recommendation to the Public Utilities Commission that the Agreement(s) be awarded to the highest-ranked Proposer(s) with whom the City has negotiated an Agreement to perform the requested services. Under applicable law, other City approvals may be required.

The City may award a contract to a Proposer to provide all of the services described in this RFP, or a subset of the described services. The City may also issue a follow-up RFP for any necessary services that are not addressed in the Agreement arising from this RFP.

Once the Agreement(s) is (are) complete and after obtaining all the necessary City approvals, the Agreement(s) will be executed and certified, and a Notice of Agreement Award will be issued.

2. Agreement Administration

Performance of services may be executed in phases. Consistent with the governing authority of the Board of Supervisors and direction from the SFPUC, the SFPUC's CCA Director will determine the work to be conducted under each phase and authorize the start of each phase in accordance with the overall agreed upon project schedule.

The successful Proposer is hereby notified that work cannot commence until it receives a written notice to proceed (NTP). Any work performed without a NTP will be at the Proposer's own commercial risk.

X. TERMS AND CONDITIONS

1. Errors and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP, including all appendices. Proposers are to promptly notify the SFPUC, in writing, upon discovery of any ambiguity, discrepancy, omission, or other error in the RFP. All requests for information concerning the RFP must be in writing and directed to Kofo Domingo at rjp@sfgwater.org prior to October 8, 2010. All inquiries should include the number and name of the RFP. Modifications and clarifications will be made by addenda as specified in this RFP. The City is not obligated to issue addenda in response to any request submitted after the deadline.

2. Inquiries Regarding RFP

All requests for information concerning the RFP, whether submitted before or after the pre-submittal conference, must be in writing and directed to Kofo Domingo at rjp@sfgwater.org. All inquiries should include the number and title of the RFP. Substantive replies will be memorialized in written addenda to be made part of this RFP. All addenda will be posted on the Contract Administration Bureau webpage at <http://contracts.sfgwater.org>. This RFP will only be governed by information provided through written addenda. With the exception of HRC or City contracting inquiries, no questions or requests for interpretation will be accepted after October 8, 2010.

If any new and/or substantive information is provided in response to questions raised at the pre-submittal conference, it will be memorialized in a written addendum to this RFP and posted on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>.

Direct all inquiries (other than inquiries at the pre-proposal conference) concerning administration of this RFP to Kofo Domingo at rfp@sfwater.org. All inquiries should include the number and title of the RFP.

Direct all inquiries (other than inquiries at the pre-proposal conference) concerning HRC certification requirements to the HRC Certification Unit at (415) 252–2500.

Direct all inquiries (other than inquiries at the pre-proposal conference) concerning the HRC LBE Program to Andrew Houston, the HRC Contract Compliance Officer for the SFPUC at (415) 551-4335.

For questions concerning HRC certification requirements for equal benefits Proposers should refer to the HRC website at <http://sfgov.org/sfhumanrights>.

Direct all inquiries regarding business tax registration procedures to the Tax Collector's Office at (415) 554-4400.

3. Objections to RFP Terms

Should a proposer object on any ground to any provision or legal requirement set forth in this RFP, the proposer must, not more than ten (10) calendar days after the RFP is issued, provide written notice to the SFPUC setting forth with specificity the grounds for the objection. The failure of a proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

4. Interpretation and Addenda/Change Notices

Any interpretation of, or change in, the RFP will be made by addendum and shall become a part of the RFP and of any Agreement awarded. Change Notices in the form of Addenda will be posted on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>.

The SFPUC will make reasonable efforts to post in a timely manner any modifications to the RFP on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>. Notwithstanding this provision, the Proposer shall be responsible for ensuring that its proposal reflects any and all addenda posted by the SFPUC prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that the Proposer check the SFPUC Contract Administration Bureau webpage before submitting its proposal to determine if the Proposer has read all posted addenda. The SFPUC will not be responsible for any other explanation or interpretation.

5. Term of Proposal

By submitting a proposal for consideration, the Proposer agrees that the proposed services and prices are valid for sixty (60) calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

6. Revision of Proposal

Notwithstanding the forgoing, a Proposer may withdraw or revise a proposal on the Proposer's own initiative at any time before the deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original proposal. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal or the commencement of a revision process extend the proposal due date for any Proposer.

At any time during the proposal evaluation process, the SFPUC may require a Proposer to provide oral or written clarification of its proposal. The SFPUC reserves the right to make an award without receiving or accepting any clarifications of proposals received.

7. Errors and Omissions in Proposal

Failure by the SFPUC to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the Proposer from full compliance with the specifications of the RFP or any Agreement awarded pursuant to the RFP.

8. Financial Responsibility

The SFPUC accepts no financial responsibility for any costs incurred by a Proposer in either responding to this RFP, participating in oral presentations, or negotiating an Agreement with the SFPUC. The proposals in response to the RFP will become the property of the SFPUC and may be used by the SFPUC in any way it deems appropriate.

9. Proposer's Obligations Under the Campaign Reform Ordinance

Proposers must comply with Section 1.126 of the San Francisco Campaign and Governmental Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations for such contract until (1) the termination of negotiations for such contract; or (2) three months have elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

If a Proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Proposer is prohibited from making contributions to:

1. The officer's re-election campaign;
2. A candidate for that officer's office; and

3. A committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a Proposer approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential Proposer about a contract. The negotiation period ends when a contract is awarded or not awarded to the Proposer. Examples of initial contacts include: (i) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (ii) a city officer or employee contacts a Proposer to propose that the Proposer apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a RFP, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. Criminal: Any person who knowingly or willfully violates Section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. Civil: Any person who intentionally or negligently violates Section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. Administrative: Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

10. Sunshine Ordinance

In accordance with San Francisco Administrative Code Section 67.24(e), Proposers' bids, responses to RFP's and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or entity's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

11. Public Access to Meetings and Records

If a Proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City-funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Proposer must comply with Chapter 12L. The Proposer must include in its proposal: (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Proposer's meetings and records, and (2) a summary of all complaints concerning the Proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

12. Reservations of Rights by the City

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue an RFP;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
5. Award a contract to a Supplier to provide all of the services described in this RFP, or only a portion of the described services;
6. Issue a follow-up RFP for any necessary services that are not addressed in a contract resulting from this RFP;
7. Procure any materials, equipment or services specified in this RFP by any other means; or
8. Determine that no project will be pursued.

13. No Waiver

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a Proposer to observe any provision of this RFP.

14. Project Approvals

All permits, consents, agreements and regulatory approvals required to carry out the Supplier's responsibilities under the contract, including all necessary agreements and approvals to use any site (whether or not the site is owned or controlled by the City) shall be obtained and maintained by the Supplier at its sole cost. While the PUC and LAFCo staffs intend to make reasonable efforts to assist the Supplier in accordance with applicable law, the City makes no representations or warranties relative to the availability or the likelihood of obtaining any such approvals or consents. The Supplier shall comply with all applicable laws at its sole cost.

15. Environmental Review

The City will not enter into any agreement in connection with CleanPowerSF until there has been complete compliance with CEQA and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31). The City intends to identify the actions and activities that would be necessary to enter into any agreement and thereby facilitate meaningful environmental review. If any part of the actions and activities is found to cause significant adverse impacts that have not been mitigated, the City retains absolute discretion to: (1) modify the activities to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts, as identified upon

environmental evaluation in compliance with CEQA and the City's Environmental Quality Regulations, (4) reject any agreement as proposed if the economic and social benefits do not outweigh otherwise unavoidable significant adverse impacts, or (5) approve an agreement upon a finding that the economic and social benefits outweigh otherwise unavoidable significant adverse impacts.

XI. HUMAN RIGHTS COMMISSION (HRC) REQUIREMENTS

1. Local Business Enterprise – Chapter 14B Forms

All response packages submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Appendix F: Form 3 - HRC Non-Discrimination Affidavit; Form 4 - HRC Joint Venture Form (if applicable), and Form 5 - HRC Employment Form. Proposers must submit one (1) original and one (1) copy of the above forms with their proposal. The forms should be submitted in a separate, sealed envelope labeled “HRC/LBE Forms – CS-160 Electric Supply Services, Community Choice Aggregation Program by [Proposer’s Name.]”

2. Chapters 12B And 12C Requirements (Equal Benefits)

Effective June 1, 1997, Chapter 12B of the San Francisco Administrative Code was amended to prohibit the City from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. All proposing firms should be in the process of becoming compliant with Chapter 12B if not already compliant. The HRC has developed rules of procedure and various resource materials explaining the equal benefits program. These materials are available by calling the HRC Equal Benefits Section at (415) 252-2500 or by visiting the HRC website at <http://.sfgov.org/sfhumanrights>.

All response packages submitted must include HRC Form 12B-101. HRC/12B & 12C Form: One (1) original and one (1) copy of HRC form (Form No. 12B-101) in a separate sealed envelope labeled “HRC/12B Forms CS-160 Electric Supply Services, Community Choice Aggregation Program by [Proposer’s Name.]”

If you have any questions concerning these HRC Forms, you may call the HRC Equal Benefits Unit at (415) 252-2500.

XII. ADDITIONAL CITY REQUIREMENTS

1. Nondiscrimination in Contracts and Benefits

As outlined above, the successful proposer may be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the HRC's website at <http://sfgov.org/sfhumanrights>.

2. Minimum Compensation Ordinance for Employees (MCO)

The successful proposer may be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements. For the contractual requirements of the MCO, see ¶43 "Requiring Minimum Compensation for Covered Employees" in the Agreement.

For the amount of hourly gross compensation currently required under the MCO, see <http://sfgov.org/olse/mco>. Note that this hourly rate may increase on January 1 of each year and that contractors will be required to pay any such increases to covered employees during the term of the contract.

Additional information regarding the MCO is available on the City website at <http://sfgov.org/olse/mco>.

3. Health Care Accountability Ordinance (HCAO)

The successful Proposer may be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at www.sfgov.org/olse/hcao.

4. First Source Hiring Program (FSHP)

If the contract is for more than \$50,000, then the First Source Hiring Program (Admin. Code Chapter 83) may apply. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry-level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at http://www.onestopsf.org/employers_first_source.html and from the First Source Hiring Administrator, (415) 401-4960.

5. Public Works Contract Requirements

The successful Proposer may be required to agree to comply with any applicable provisions of San Francisco Administrative Code Chapter 6, which governs public works projects, including without limitation Section 6.22. Section 6.22 specifies certain contract terms and working condition requirements for applicable projects, including without limitation bond and prevailing wage requirements.

The San Francisco Charter authorizes the SFPUC, to the extent legally appropriate, to enter into project labor agreements with Building Construction and Trades Councils, that could apply to construction associated with this program, in order to promote labor stability and ensure that its capital improvement programs are completed expeditiously and efficiently. [See Charter Section 8B.127.]

6. Signature Requirements

An unsigned or improperly signed proposal will be rejected. A proposal may be signed by an agent of the Proposer if he/she is properly authorized by a power of attorney or equivalent document submitted to the City prior to the submission of the proposal or with the proposal to bind the Proposer to the proposal.

The proposal may be modified after its submission by withdrawing and resubmitting the proposal prior to the time and date specified for offer submission. Modification offered in any other manner, oral or written, will not be considered.

A Proposer may withdraw his/her offer by submitting a written request for its withdrawal to the City, signed by the Proposer in accordance with the first paragraph above. The Proposer may, therefore, submit a new proposal prior to the proposal submission time.

All proposals submitted may be subject to negotiation by the City prior to an award of contract.

7. Business Tax Registration

In accordance with San Francisco City Ordinance 345-88, all vendors conducting business with the City are required to maintain a valid business tax registration number. Agreements will not be awarded to the selected Proposer unless business tax registration fees are paid in full by the time the Agreement is awarded. Proposer may contact the Tax Collector's office at 415-554-4470 to confirm that business tax registrations fees have been paid in full. Each selected Proposer must provide a taxpayer ID. If not previously filed, an IRS Form W-9 must be submitted either by fax or mail to:

Purchasing Department
City Hall, Room 430
San Francisco, CA 94102-4685
415-554-6718

8. Conflicts of Interest

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental

Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

OBLIGATIONS

It is the obligation of the Proposer as well as their Subconsultants to determine whether or not participation in that contract constitutes a conflict of interest. While the SFPUC staff maintains records regarding award and execution of contracts, it does not have access to specific information concerning which entities, partners, sub-consultants or team members perform specific work on these contracts. A conflict of interest or an unfair advantage may exist without any knowledge of the SFPUC. The database of our records concerning work performed by various sub-consultants is available for reference to consultants making their own determination of potential conflicts. This information should not be relied upon as either comprehensive or indisputable. Final determination of the potential for conflict must be made by the Proposers. A court makes the final determination of whether an actual conflict exists. The guidelines below address conflicts under the aforementioned laws but there are other laws that affect qualifications for a contract.

WORK

There are many phases of work pertaining to SFPUC contracts. Potential conflicts arise out of progressive participation in various phases of that work. Set forth below are general guidelines regarding when participation in a specific phase of work may create a conflict. Because an actual determination regarding whether a conflict exists depends upon the specific facts of each situation, the general guidelines set forth below should be treated only as a starting point. A Proposer should consult with their legal counsel to determine whether a potential conflict exists.

1. **RFI/RFQ/RFP/Bid Documents.** Any entity that participates in the development of any of these documents has participated in “making the contract” for the work. For these purposes “participating in making” has the same meaning as under Government Code Section 1090 and the term “entity” includes any parent, subsidiary or other related business.
2. **General Program Management Services.** Since these advisory services necessarily assist in general definitions of the program and projects, conflict would likely exist in participation in the design phase of any project.
3. **Preplanning.** Participation in preplanning work, which may include the needs assessment report, since it is an initial phase, would likely be limited only by previous participation in preparation of RFI/RFQ/RFP or bid documents.
4. **Planning.** The planning phase of any project establishes the facts pertaining to the project and possible options for consideration. This phase typically does not result in the making of any contract.

- a) **Alternative Analysis Report.** This phase proposes to decision-makers the various alternatives in project scope, cost, schedule and environmental impact necessary to make a determination of the proper project. Firms may have a conflict of interest in subsequent design work if they participated in the decision-making process of selecting an alternative.
 - b) **Conceptual Engineering Report.** This document defines the project and shapes the design contract. Participation in this phase may likely be in conflict with any future design services.
5. **Environmental Review.** Similar to the planning phase, this phase of work gathers information from other sources resulting in a definition of the project for the purposes of reviewing the environmental effects of the work. Firms participating in environmental review would likely not have a conflict in participating in subsequent phases.
 6. **Final Engineering Design.** Documents produced under this phase constitute the definition of the construction contract. Participation in this phase would likely be in conflict with participation in any subsequent phases, such as construction management or general construction.
 7. **Construction Management.** This work consists of review, assessment and recommendation for actions based on interpretation of contract documents. No firm under one contract can review any of its own work performed under another contract. Conflicts would likely arise had any firm participated in either preparation of final engineering design or any documents enumerated in a contract for construction or documents the SFPUC requires a Proposer to rely on in the preparation of their bid.
 8. **Construction.** It is unlikely that participation in construction contracts would result in conflicts on subsequent contracts. Restrictions on participation in construction contracts may be stipulated in other federal, state or local laws.
 9. **General.** Work associated with gathering, assessing, reviewing technical data such as geotechnical investigations, site surveys, condition assessments would likely have conflicts with other work only if the firms were in a position to review their own work.

CONSULTATION WITH COUNSEL

The SFPUC strongly advises any proposing/bidding firm to consult with their legal counsel to determine whether or not a conflict of interest exists. It is the responsibility of the proposing/bidding firm to make that determination.

XIII. PROTEST PROCEDURES

A. Protest of Non-Responsiveness Determination

After receipt of proposals, the SFPUC, with the assistance of HRC, will initially review all proposals for responsiveness, and will notify all non-responsive Proposers with a Notice of Non-Responsiveness. Within five (5) working days of the SFPUC's issuance of a Notice of Non-Responsiveness, any Proposer that has submitted a proposal and believes that the City has unfairly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the SFPUC on or before the fifth (5th) working day following the SFPUC's issuance of the Notice of Non-Responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the SFPUC to determine the validity of the protest.

B. Protest of Agreement Award

As soon as the Proposer rankings are finalized, the SFPUC will post final rankings on the Contract Administration Bureau webpage at: <http://contracts.sfwater.org>.

Within five (5) working days of the SFPUC's posting of the Proposers ranking on the SFPUC Contract Administration Bureau webpage, any Proposer that has submitted a responsive proposal and believes that the City has unfairly selected another Proposer for award may submit a written notice of protest.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the City to determine the validity of the protest. All protests must be received by the SFPUC on or before the fifth (5th) working day following the SFPUC's posting of the Proposers ranking.

C. Delivery of Protests

If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

San Francisco Public Utilities Commission
Contract Administration Bureau
Attn: Kofo Domingo
RE: CS-160 Electricity Supply Services for Community Choice Aggregation Program
1155 Market Street, 9th Floor
San Francisco, CA 94103