



**Request for Proposal (RFP)
Windsor Efficiency PAYS[®]
Capital Provider**

Released by

Sonoma County Regional Climate Protection Authority

490 Mendocino Avenue, Suite 206

Santa Rosa, CA 95401

(707) 565-5373

On behalf of the

Town of Windsor, California

KEY RFP DATES

Issued: November 30, 2011

Telephone or written questions: December 12, 2011

Pre-Submittal Meeting: December 14, 2011

Optional Letter of Interest: Any time before January 13, 2012

Submit Proposals: January 13, 2012

Interview Dates: January 23-26, 2012

November 18, 2011

NOTICE OF REQUEST FOR PROPOSAL

Windsor Efficiency PAYS® Capital Provider

The Sonoma County Regional Climate Protection Authority (RCPA) has issued this Request for Proposal (RFP) on behalf of the Town of Windsor (Windsor) with the intent to select a firm to act as a Capital Provider for its Windsor Efficiency PAYS® pilot program.

Proposals must be submitted at or before 5:00 p.m., Pacific Time, on January 13, 2012. An electronic copy of the complete proposal should be emailed to:

Mike Sandler: msandler@sctainfo.org

Proposals, and amendments to proposals, received after the date and time specified will not be considered. Parties interested in obtaining a copy of this Request for Proposal should e-mail a request to msandler@sctainfo.org, call, or find online at www.sctainfo.org/rfp.htm.

A pre-submittal meeting will be held from 9:00-10:30 am on December 14 at the RCPA conference room to provide an overview of needs and expectations and to provide an opportunity to answer questions of applicants. This meeting may also be broadcast via webinar.

Organizations planning to attend this meeting (in person or via webinar) are asked to RSVP to msandler@sctainfo.org.

Those responding to the RFP will be required to comply with all applicable equal opportunity laws and regulations.

Sincerely,

Mike Sandler
Climate Protection Program Manager

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OVERVIEW

The Sonoma County Regional Climate Protection Authority (RCPA) has issued this Request for Proposal (RFP) on behalf of the Town of Windsor (Windsor) with the intent to select a firm to act as a Capital Provider for its Windsor Efficiency PAYS[®] pilot program. The Windsor Efficiency PAYS[®] pilot is scheduled to start on March 1, 2012. If successful, in one year or less, the pilot will help up to 2,000 Windsor customers purchase and install a variety of water and energy saving technologies using the Pay As You Save[®] system as explained in the attached September 9, 2011 Program Concept Paper (Attachment A). A Program Design, which will be completed by or before January 2012, will provide all pilot details including protocols and all forms and contracts. The program will run for one year or until 2,000 customers install measures, whichever comes first. Although RCPA and Windsor make no representations that any customers will participate or install measures, there is the potential for expansion of the pilot in Windsor, in Sonoma County, and throughout California.

The Capital Provider will supply the financing required to pay the upfront costs for installed measures, program fees (to the Certification Agent), and any needed measure repairs. At this time, capital needed for the pilot is estimated to be between \$2 million and \$4 million (\$2,000,000 – \$4,000,000) to be repaid with interest at a rate or rates bid by the Capital Provider over 2-, 5-, 10- or 15-year terms depending upon the measures installed. Windsor will be responsible for repaying the Capital Provider regardless of its collections from customers. Payments will be made every 60 days, with Windsor's payments for each completed customer project starting 45 days after the Capital Provider supplied capital to pay the upfront costs for that project and continuing until all payments have been made. Additionally, discussions are underway with the Sonoma County Water Agency (SCWA) to provide a security fund of up to \$250,000 to cover bad debt in the event of customer non-payments.

Capital providers may partner to submit a joint bid to provide the capital needed to fund program operations. One of the bidding partners must assume the lead role in negotiations and receive all Windsor payments. Both partners must sign the attached Agreement. The Capital Provider selected for this pilot may request an RCPA training program in February 2012. If requested, the date of this training program will be announced as soon as possible after the request from the

successful bidder is received. Capital Provider staff may also attend the training program arranged for the program operator (Certification Agent).

Qualifications

Parties interested in submitting a proposal to become the Windsor Efficiency PAYS[®] Capital Provider should provide documentation that they have or have proven capability to deliver up to \$4 million (\$4,000,000) as specified in the Windsor Efficiency PAYS[®] Program Design.

Additionally, Capital Providers are invited to enhance their proposals by:

- Submitting their plans for scaling up if the pilot succeeds and is replicated in much larger cities; and
- Submitting an explanation of the expertise they can provide and how they can assist in packaging multiple residential solar water heating installations for different customers as a single tax advantaged investment in order to harness up to half of those benefits to lower participants upfront costs.

RCPA and Windsor reserve the right to reject any or all of the proposals, to investigate the qualifications of all proposers under consideration, to confirm any part of the information furnished by a respondent, or to obtain additional evidence of managerial, financial or other capabilities, which are considered necessary.

Mandatory Duties

The Capital Provider's duties, the forms and contracts to be used, and the protocols to be followed will be finalized as part of the Windsor Efficiency PAYS[®] Program Design.

Nevertheless, in addition to supplying capital in the amount, at the rate, and for the duration specified in its bid, the Capital Provider will be responsible for:

1. Making payments to the Certification Agent twice a month (approximately every 15 days) and within three days of receipt of appropriate paperwork.
2. Supplying Windsor or RCPA, at their request, with copies of any materials required for their oversight or pilot evaluation.

3. Accepting without penalty pre-payments from Windsor in cases where customers have pre-paid the payment obligation at their location or a Certified Contractor's bonding agent returned funds for improper work that will not provide savings.
4. Notifying the Certification Agent, RCPA, and Windsor of a new interest rate to be charged for capital, if the bid interest rate becomes too low. Any new rate will not go into effect until 90 days after receipt of notice by the parties and in no case before the date specified in Capital Providers' bid for the duration of the initial rate, and it will not be applied to previously financed work.
5. Implementing all assigned duties in the Windsor Efficiency PAYS[®] Program Design and, if it identifies any conflict with the Windsor Efficiency PAYS[®] Program Design, its contract or this RFP, seeking written clarification from Windsor or RCPA.
6. Participating in good faith in any RCPA or Windsor evaluation of this pilot program, including providing information about the timeliness of payments and frequency and magnitude of interest rate increases.

Optional Duties

In addition to the mandatory duties described above, if all other aspects of the bids are equal, especially the interest rate and minimum time that this rate will be offered, bidders can enhance their chances of being selected as the Windsor Efficiency PAYS[®] program Capital Provider if they agree to any or all of the following:

1. Suggest revisions to the program design including the agreements and forms that facilitate meeting the capital requirements of other programs replicating this system so that they can be packaged as baby bonds.
2. Review all agreements and forms to suggest revisions that facilitate solar water heaters being offered as a program measure and multiple installed units at different residences being packaged as a single tax advantaged investment.
3. Arranging for separate, tax advantaged financing for solar water heaters such that the investor(s) agrees to reduce the repayment amount equal to half of the net present

value of the tax advantages realized by the investor from federal and or California sources but not less than 20-percent.

Payment

As payment for all providing capital and related services including arranging for capital and making payments to the Certification Agent the Windsor Efficiency PAYS[®], the Capital Provider will be paid interest on the capital it supplies at the rate specified in its bid or in accordance with Mandatory Duty #4.

Oversight

The Capital Provider will be required to sign an Agreement (Attachment B) with Windsor and a Certification Agent selected for this pilot. This agreement will outline each entity's responsibilities and establish oversight roles.

Timeline

The following is the timeline for a March 1, 2012 pilot start date. RCPA and Windsor reserve the right to modify and or reschedule any of the activities in order to ensure a successful pilot.

- RFP issued November 30, 2011
- Written questions submitted to RCPA by December 12, 2011
- Pre-Submittal Meetings held in person and via webinar December 14, 2011
- Optional Letter of Interest submitted to RCPA any time before January 13, 2012
- Proposals due January 13, 2012
- Interviews January 23, 2012, to January 26, 2012
- Capital Provider selected February 1, 2012
- Optional Training TBA
- Capital available beginning March 1, 2012
- Capital no longer available (but still collecting Windsor payments) February 28, 2013 or after 2,000 projects are completed unless the Agreement is renewed

HOW TO APPLY

Interested parties should submit a letter of interest to RCPA if they have not already done so. Their letter should include contact information (i.e., telephone number(s) and mailing and email addresses). This will ensure the prospective applicant receives copies of all communications relevant to this RFP process.

Parties must submit their complete proposal to RCPA by email (or, if necessary first class mail) at the address below no later than January 13, 2012. The proposal should not exceed 25 pages (excluding cover letter, proposal cover, table of contents, forms and supplemental information, such as brochures and resumes). Formatting should be done using 8-1/2" X 11" pages with a minimum font size of 12. Proposals must:

1. Include a Cover Letter. Please identify the person who is authorized to negotiate, and indicate that the proposal represents a firm binding offer for 90 days. The cover letter should include the following information:
 - Company Name
 - Name and title of authorized representative
 - Address
 - Telephone Number
 - Fax Number
 - Email Address
2. Clearly document the applicant's qualifications. Describe the bidder organization and please provide evidence of experience in each of the areas identified in this proposal.
3. Provide a narrative of no more than six single-spaced pages addressing how the bidder meets all Qualifications, its willingness and ability to perform all mandatory Capital Provider duties, and any other information that would support applicant's proposal given the optional duties described above and the criteria for selection described below.
4. Propose the interest rate for which the bidder will provide capital and the minimum term they guarantee they will provide capital at that rate (but not less than 90 days after March 1, 2012). Bidders may propose different interest rates for capital to be repaid over 2, 5, 10, and 15 years. Capital will be repaid on a bi-monthly basis. Bidders should provide proposals for capital to be repaid over 15 years assuming two different scenarios: bi-monthly payments all year and alternatively three bi-monthly payments paid only during summer months. It is anticipated the initial interest rate will be at or below seven percent.
5. Include resumes for key staff and three letters of reference from people who can comment from experience on how the bidder meets the qualifications for this work.

One or more qualified applicants will be requested to interview with RCPA, Windsor, or their agents during January 2012. As noted above, RCPA and Windsor hope to complete the selection process by February 1, 2012.

Criteria for Selection

RCPA and Windsor will evaluate proposals and select up to four finalists for interviews from among the bidders that appear to meet the above criteria. They will then select one bidder for negotiations based on the bidder's ability to create confidence that:

1. The bidder has the resources, experience, and skills to successfully finance the pilot.
2. The bidder offers the lowest interest rate for the longest assured duration.
3. The bidder's records and book keeping will be satisfactory and kept in accordance with Generally Accepted Accounting Principles (GAAP).
4. The bidder's reputation will enhance the credibility of the program offer.

In the event multiple bidders meet all of the above criteria, preference will be given to bidders that commit to fulfilling the Optional Duties described above. Additional preference will be given to bidders who indicate that they are willing and able to expand their services to Windsor, other Sonoma County water utilities, or other interested California utilities.

Windsor and RCPA reserve the right to negotiate with more than one bidder to obtain the best terms for this pilot and to select none of the bidders if either determines the terms unsatisfactory.

Additional Information

Examination of Documents: All relevant documents pertaining to this RFP can be found at www.sctainfo.org/rfp.htm or by emailing msandler@sctainfo.org.

An optional letter of interest for all or a portion of the scope of work may be submitted in accordance with the following requirements:

1. The letter of interest shall be sent electronically to: msandler@sctainfo.org

Requests for clarification and other additional questions must be put in writing and must be received by the RCPA no later than 5 p.m. on December 12, 2011. Thereafter the RCPA will enforce a Blackout period, where communications between applicants and reviewers is strictly limited. Any of the following methods of delivering written questions are acceptable as long as the questions are addressed with the subject of “Windsor Efficiency PAYS® RFP”, and are received no later than the date and time specified above:

- E-Mail: msandler@sctainfo.org
- U.S. Mail/Personal Courier: Mike Sandler, Sonoma County Transportation Authority, 490 Mendocino Avenue, Suite 206, Santa Rosa, California 95401
- Facsimile: The RCPA’s fax number is (707) 565-5370

Copies of these questions and their answers will be emailed to all parties that submitted a letter of interest and will be posted on the RCPA website at www.sctainfo.org/rfp.htm no later than 5:00 p.m. on December 21, 2011.

A pre-submittal meeting will be held on December 14 from 9:00-10:30 a.m. in the RCPA offices at 490 Mendocino Ave., Suite 206, Santa Rosa, CA. The intent of the pre-submittal meeting is to provide an overview of the RCPA’s needs and expectations and to provide an opportunity to answer questions of applicants. This meeting may also be hosted via a webinar. Organizations planning to attend this meeting (in person or via webinar) are asked to RSVP to msandler@sctainfo.org.

RCPA and Windsor shall not, in any event, be liable for any pre-contractual expenses incurred by proposer in the preparation of a proposal. Proposer shall not include any such expenses as part of the proposal.

Submittal Procedure

The proposal shall be submitted in accordance with the following requirements:

1. The proposal shall be transmitted with a cover letter as described above.
2. The proposal shall be received via one of the following means no later than 5:00 p.m. on January 13, 2012. Late proposals will not be accepted.
 - E-Mail: msandler@sctainfo.org

- U.S. Mail/Personal Courier: Mike Sandler, Sonoma County Transportation Authority, 490 Mendocino Avenue, Suite 206, Santa Rosa, California 95401
- Facsimile: The RCPA's fax number is (707) 565-5370

RCPA will notify proposers of its selection, or selection for interview, on or after January 26, 2012.

Joint Offers

Where two or more proposers desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. Parties signing contracts related to this RFP will be asked to do so as a single firm and not as multiple entities doing business as a joint venture. Proposers wishing to provide fewer than the required number of services should submit a letter of interest to be shared with all members during the pre-bid meeting.

Levine Act

The selected proposer will be required to disclose on the record any contribution of \$250.00 or more that they have made to a Windsor Town Councilmember or an RCPA Board member within the twelve-month period preceding submission of the RFP. This applies to your company, any member of your staff, any agents for you or other staff members and to the major shareholders of any closed corporation, which is part successful proposal. If you have made a contribution which needs to be disclosed, you must provide written notice of the date, amount, and receipt of the contribution(s) in writing to the RCPA Executive Director, Suzanne Smith.

Respect in the Workplace

During the performance of services under an Agreement, the successful proposer and any and all sub-consultants shall not discriminate or permit harassing or discriminating behavior against any persons or group of persons whether on the basis of race, color, religion, age, national origin, ethnic group, gender, marital status, disability status, or sexual orientation. The successful proposer and any and all sub-consultants shall take affirmative actions to ensure respect in the

workplace and that applicants and employees are treated justly, without regard to their race, religion, sex, color, or national origin.

In the event the successful proposer or any sub-consultant fails to comply with this clause of an executed contract, said contract may be canceled, terminated or suspended, in whole or in part, and the successful proposer any and all sub-consultants may be declared ineligible for further contracts.

Debarment

Proposer must disclose any debarment or other disqualification as a vendor for any federal, state, or local entities. Proposer must describe the nature of the debarment/disqualification, including where and how to find such detailed information.

Reservation of Rights

The issuance of this RFP does not constitute an agreement by the RCPA or the Town of Windsor that any contract will actually be entered into by the RCPA or the Town of Windsor. The RCPA and Windsor expressly reserve the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure,
- Reject any or all proposals,
- Reissue an RFP,
- Prior to the 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,
- Procure any materials, equipment or services specified in this RFP by any other means, or determine that no project will be pursued.

All proposals submitted in response to this request shall be deemed public records. In the event that a Proposer desires to claim portions of its proposal exempt from disclosure, it is incumbent upon the Proposer to clearly identify those portions with the word "confidential" printed on the lower right-hand corner of the page. The RCPA and Windsor will consider a Proposer's request for exemption from disclosure; however, the RCPA and Windsor will make a decision based

upon applicable laws. Assertions by a Proposer that the entire proposal or large portions are exempt from disclosure will not be honored. All responses to this Request for Proposals shall become the property of the RCPA and Windsor and will be retained or disposed of accordingly.

The RCPA and Windsor shall not be liable for any precontractual expenses incurred by any Proposer. The RCPA and Windsor shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

All data and information furnished by RCPA and Windsor or referred to in this RFP are furnished for the Proposer's convenience. The RCPA and Windsor do not guarantee that such data and information are accurate and assumes no responsibility whatsoever as to its accuracy or interpretation. Proposers shall satisfy themselves as to the accuracy or interpretation of all such information and data.

By submitting a proposal in response to this RFP, the proposer waives all rights to seek any legal remedies regarding any aspect of this RFP, the RCPA and Windsor's selection of a consultant, and the RCPA and Windsor's rejection of any and all proposals.

The RCPA and Windsor also reserve the right to negotiate any price or provisions and accept any part, or all parts of any or all proposals, whichever is in the best interest of the RCPA and Windsor.

ATTACHMENT A

Program Concept Paper

This document may be found on the RCPA website at www.sctainfo.org/rfp.htm.

ATTACHMENT B

Capital Provider Agreement

All contracts and agreements related to the Windsor Efficiency PAYS® pilot are bound by an Intellectual Property Agreement signed by the Sonoma County Regional Climate Protection Authority and the Town of Windsor. The current DRAFT versions of the contracts/agreements specific to this RFP and mentioned above will be released to any interested bidder upon request to Mike Sandler, RCPA Climate Protection Manager at: msandler@sctainfo.org.