

Attachment 2 REVISED

Program Management Contractor Selection for New Home Energy Savings and Home Efficient Home Products Programs

December 17, 2003

Background

On October 1, 2003, the Energy Trust of Oregon Board of Directors unanimously approved the solicitation for a Program Management Contractor (PMC) to implement two new program designs for the residential sector. The two new programs are the New Home Energy Savings program (for residential new construction) and the Efficient Home Products program, both featuring the Energy Star brand products.

Selection Process

The selection of a PMC for the programs followed the Energy Trust comprehensive competitive Request-for-Proposal (RFP) process. Two teams responded to the RFP and were evaluated for the PMC role. The RFP selection review team consisted of five individuals -- three Energy Trust representatives, one member from the NW Energy Efficiency Alliance and one member from Eugene Water & Electric Board.

The following criteria, represented by 42 objectives, were used to evaluate the proposals:

1. *Proposal strength (40%)* – including such factors as ability to achieve a minimum of 757,000 annual therms and 2.85 average megawatts of electric savings over the two years of the program; plan an approach for manufactured, site-built and multifamily new construction; approach to increasing the penetration of Energy Star efficient home products; plan for quality HVAC installation; ability to deliver an easy-to-understand program; innovative delivery; leverage of resources and market infrastructure.
2. *Management strength (30%)* – Including such factors as proposed management structure, program design, implementation and operations team members; coordination with existing programs; experience delivering similar programs; marketing and outreach experience; incentive processing; customer service; and technical knowledge.
3. *Price proposal (30%)* – Including overall budget with a detailed time and materials budget; total program management cost; incentive amounts; and overall specificity and measurability of costs compared to tasks; labor costs; FTE allocation; ability to manage cash flow.

Two proposals were received and both qualified as finalists: PECE (Portland Energy Conservation Inc.) and ICF Consulting. The PECE group included Conservation Services Group (CSG), PGE Energy Services Group, Applied Proactive Technologies (APT), Heshong Mahone Group, Proctor Engineering and CLEARResults. The ICF Consulting team consisted of ICF, Ecos Consulting, Ecotope, Delta T and Vermont Energy Investment Corp. (VEIC). The review team conducted 2-hour interviews with each proposer. The two proposals were

clearly distinct from one another in the following areas: overall management team composition and field approach, proposed outreach/marketing; identified energy savings, number of projects proposed. Both teams possess impressive technical and implementation skills and overall experience designing and delivering residential new construction and appliance programs.

The following table depicts the 5 individual scores and team aggregate for the three overall major proposal elements, as follows:

<i>Bidder</i>	<i>Score</i>	<i>Score</i>	<i>Score</i>	<i>Score</i>	<i>Score</i>	<i>Average Score</i>
PECI/CSG	3.73	3.78	3.74	3.68	4.06	3.80
ICF/Ecos	3.02	2.70	3.25	3.12	2.55	2.93

As an added step in the competitive process, the review team sought additional clarifying information from both proposers to afford the maximum understanding of key proposal elements. Following discussion, the review committee unanimously selected PEGI and recommends them to be considered by the Board of Directors.

Characteristics of PEGI’s Proposal

The following items are reasons why PEGI received high scores:

1. Overall clarity and responsiveness to RFP requirements.
2. Detailed budget and design approach to each part of the program.
3. The team plan exceeds 2-year program savings.
4. Thorough outreach and marketing plan.
5. Strong field approach providing robust field representatives.
6. Approach to ensuring quality construction and verification.
7. Significant infrastructure focus – 14 trainings for 70 technicians.
8. Clear plan and estimated projects to acquire the requested kWh and therm targets for the 2-year time frame.
9. Leveraged resources they bring to the program.
10. Team has strong experience delivering Energy Star Home and Energy Star product programs.
11. Innovative multifamily approach option and other demonstrations outlined in detail.
12. Extensive team competency and technical experience designing, implementing and managing similar programs in other major states including:
 - a. Energy Star Homes New York
 - b. New York State Energy Research and Development Authority (NYSERDA)
 - c. Energy Star Homes New England
 - d. Energy Star Homes Wisconsin
 - e. Energy Star Homes Texas

The team holds several Energy Star awards for excellence in promotion, consumer education, program design, including utility ally of the year.
13. Oregon-based firm.

PECI has proposed a design that pulls together a team of organizations whose unique talents and areas of expertise strategically align to accomplish the goals of these programs. PEGI has significant experience in delivering Energy Star product programs; likewise team member CSG (Conservation Services Group) has extensive Energy Star Home program experience. Together these organizations can leverage extensive resources to design, manage, and implement and the New Home Energy Savings and Efficient Home Products programs.