Authorizing a Program Delivery Contractor for Industrial Lighting

October 5th, 2011

Summary

Approve the basic terms of a three-year contract for industrial lighting program delivery services for Energy Trust's Production Efficiency program, with potential for up to two one-year extensions.

Background

- Energy Trust's Production Efficiency program is designed and managed in-house. Staff utilizes multiple program delivery contractors to perform outreach and delivery functions on behalf of the program.
- The Industrial Lighting program delivery contractor develops and trains Energy Trust's industrial lighting trade ally network, acts as a technical resource, helps develop useful calculator tools, coordinates with other program contractors as-needed, and facilitates the trade allies' submitted industrial lighting energy efficiency projects through the program to deliver energy savings.
- The current Industrial Lighting program delivery contract will expire December 31, 2011.
- In July 2011, Energy Trust staff issued a request for qualifications for a Program Delivery Contractor (PDC) for Industrial Lighting.
- Energy Trust received three notices of intent to respond, of which two actual responses were submitted.
- A review team comprised of Energy Trust staff and an external reviewer from Northwest Energy Efficiency Alliance reviewed the two submissions.
- The review team selected Evergreen Consulting Group, LLC on the strength of its qualifications. The selection process is further explained in Appendix 1.

Discussion

- Staff proposes a PDC contract spanning three years, starting January 1, 2012, through December 31, 2014, with an option to renew for two one-year time periods.
- Staff has assumed a first year budget of $2.1 million in connection with these services. This includes a first year PDC contract cost of $800,000, with an allowance for performance compensation, and incentives of $1.3 million.
- Energy Trust expects that work performed under this contract could save as much as 17,000,000 kWh, at a cost of $1.1 million per aMW and a levelized cost of $.02. Actual costs and savings will be included in the Production Efficiency Program budget and computed after the board approves the 2012 budget.

- As with other program delivery contracts, actual contract amounts for each year will be negotiated annually, consistent with each year's board-adopted annual budget. Contracts and contract amendments conforming to these budgets would be signed without further board action.
- The contract will refer to expected program incentive costs, but does not include these costs in PDC contract payments. Incentive costs are part of the program's cost, and they are paid by Energy Trust to program participants. Program incentive amounts will also be provided and reviewed as part of the annual budgeting process and ensuing contract amendments.

Recommendation

- Authorize the executive director to negotiate and sign a contract with Evergreen Consulting Group, LLC for Industrial Lighting program delivery services by adopting resolution 597, below.

RESOLUTION 597

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WHEREAS:

1. **With assistance from an outside party, staff has conducted a fair and open procurement process to select a contractor to deliver Industrial Lighting program offerings for the next 3-5 years.**
2. **Evergreen Consulting Group, LLC was selected and contract terms are being negotiated.**
3. **Staff has assumed a total first-year program delivery contractor budget for 2012 of approximately $2.15 million including a first year delivery contract cost of about $800,000, incentives of $1.3 million, and possible performance compensation.**
4. **Based on current assumptions, staff projects the following program savings and fully-loaded costs in 2011:**

	Electric
Savings (stretch)	17,000,000 kWh
$/Unit Savings (stretch)	$.13/kWh
Levelized Cost (stretch)	$.02/kWh

Actual savings and costs will be reviewed by the Energy Trust board as part of the annual budget and action plan process.

It is therefore RESOLVED:

1. **Subject to determination of a final contract amount based on the board-approved 2012 budget, the executive director is authorized to enter into a contract with Evergreen Consulting Group, LLC to deliver the Industrial Lighting offerings from January 1, 2012, through December 31, 2014.**
2. **First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2012 budget. Thereafter, the contract may be amended annually consistent with the board's annual budget decisions.**
3. **The final contract may include a provision allowing staff to offer up to two one-year extensions if the program delivery contractor meets certain established performance criteria.**
4. **Before extending this contract beyond December 31, 2014, staff will report to the board on the program delivery contractor's progress and staff's recommendation for any additional extension time periods. If the board does not object to extension, contract terms would remain as approved in the most recent action plans, budgets and contract at the time of extension, and the executive director is authorized to sign any such contract extensions.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

APPENDIX I

Energy Trust of Oregon followed a comprehensive competitive Request-for-Qualifications (RFQ) process.

Three organizations submitted intent to respond forms for the program RFQ; two proposals were submitted. The process was led by an RFQ review team consisting of two Energy Trust representatives, and one member from NEEA. The review team considered, evaluated and numerically scored the submissions on ten overall factors:

1. Staff qualified, per resumes provided
2. Previous experience with proposing company/staff
3. Physical presence in Oregon
4. If not in Oregon, how well have they addressed how they will serve
5. Experience performing lighting audits
6. Experience with program design input and assistance
7. Experience with Trade Ally outreach and training
8. Documented experience achieving energy savings
9. Experience with project processing
10. Experience with project tracking and reporting

Based on this review, the review committee unanimously selected Evergreen Consulting Group, LLC to serve as Program Delivery Contractor for Industrial Lighting in the Production Efficiency program.

Distinguishing Characteristics of Selected Respondent

- Qualified staff with deep experience in lighting audits, design, and retrofits
- Exceeded stretch savings goal in 2009 and 2010
- Assignment of Sr. Lighting Specialist to provide additional lighting technical support to Energy Trust's custom track PDCs to drive additional projects and savings at industrial facilities
- Proposed training of Evergreen's Lighting Specialists and private sector electrical distributors on Energy Trust's non-lighting industrial offerings, in order to drive additional projects at more facilities
- Highly collaborative and forward thinking team