



**T R A V E R S E C I T Y**  
**L I G H T & P O W E R**

Investing Our Energy In You

## **REQUEST FOR PROPOSAL**

Development of a Long-Term Energy Optimization Plan

Issue Date: August 28, 2014

Proposal is Due: September 30, 2014  
4:00 p.m. Eastern Standard Time

Intent to Bid Due: September 12, 2014  
4:00 p.m. Eastern Standard Time

For more information and questions/answers

Contact:

Jessica Wheaton

Traverse City Light & Power

[jwheaton@tclp.org](mailto:jwheaton@tclp.org)

# **Traverse City Light & Power Request for Proposal**

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## **PROJECT AND UTILITY BACKGROUND**

Traverse City Light & Power (TCL&P) is issuing a Request for Proposal (RFP) for the selection of a qualified consultant to develop a Long-Term Energy Optimization Plan (Plan) designed to assist in the implementation of programs and incentives that will enhance the utility's energy efficiency offerings, with a focus on managing load growth aimed at reducing on-peak demand.

TCL&P is a community-owned, community-focused municipal electric utility located in Traverse City, Michigan, that provides electric service to customers in the City of Traverse City, and parts of Blair, East Bay, Elmwood, Garfield, Peninsula and Paradise townships. The utility is dedicated to providing the Public Power benefits of safety, lower rates, high reliability, local control, and exceptional customer service to the city, its residents, and all TCL&P customers.

TCL&P's customer base is made up of approximately 9,000 residential customers and 3,000 commercial and industrial customers. 80% of TCL&P's kilowatt hour sales come from its commercial and industrial customer base, while 20% comes from the residential customer base.

TCL&P's summer peak is 72 megawatts with a daily peak occurring between 12 p.m. and 4 p.m. TCL&P's winter peak is 53 megawatts with a daily peak occurring between 10 a.m. and 2 p.m.

TCL&P's generation portfolio is made up of 81% coal, 7% natural gas, 9% wind and 3% landfill gas. TCL&P does not own any generation resources.

The State of Michigan Public Act 295 requires all utilities to offer energy efficiency programs with a calendar year savings goal of 1% of kilowatt hour sales. Since the enactment of Public Act 295 in 2008, TCL&P has met and exceeded its savings goal every year.

TCL&P currently does not have Automated Metering Infrastructure (AMI) in place nor does the utility utilize any demand response programs at this time. TCL&P is planning to launch an AMI pilot program beginning fiscal year July 1, 2015 through June 30, 2016, with a utility wide roll out occurring in the following years if deemed beneficial for the utility.

## **OVERSIGHT COMMITTEE**

The Plan process will include an Oversight Committee that will oversee the project, provide information to the consultant, comment on the consultant's work product, and ensure that the Plan will meet the needs of TCL&P. The Oversight Committee will consist of, but not limited to, representatives from TCL&P's Board of Directors and members of staff.

## **PROPOSAL SCHEDULE**

RFP Issued	August 28, 2014
Notice of Intent to Bid	September 12, 2014
Question Period Closes	September 16, 2014
Response to Bidder Questions	September 22, 2014

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Proposals Due	September 30, 2014
Anticipated Selection	October 14, 2014
Anticipated Contractor Start	January 2015
Plan Draft Due	March 2015
Plan Final Due	May 2015

### **STATEMENT OF WORK**

#### **1. Project Goals and Anticipated Results**

The Plan should serve the following objectives:

- Provide a long-term plan for TCL&P to enhance the utility's energy efficiency programs to make the most impact and be the most cost effective to the utility, its customers, and its resident owners.
- Provide specific recommendations, metrics for success, estimated costs and benefits, and implementation methods on the best and most effective energy efficiency program offerings based on TCL&P's unique customer base.
- Provide specific recommendations, metrics for success, estimated costs and benefits, and implementation methods on optimizing energy efficiency programs to directly manage load growth and reduce the amount of capacity needed, ultimately increasing TCL&P's system load factor.
- Provide specific recommendations, metrics for success, estimated costs and benefits, and implementation methods on reducing the utility's peak demand or shifting demand to off-peak.
- Provide specific recommendations, metrics for success, estimated costs and benefits, and implementation methods for strategic electrification opportunities/programs, such as AMI, that would benefit the utility, its customers, and its resident owners.

#### **2. Intellectual Property**

The consultant shall not have claim to any artistic materials and intellectual properties which are, in whole or in part, created, developed or produced by the consultant during the term of the agreement arising from the subject RFP or any activities to which the consultant is assigned, and the consultant shall not have any claim to have any right, title or interest herein of any kind or nature.

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### **3. Contract Management**

The contract for this work will be administered by TCL&P. The selected consultant will enter into TCL&P's standard consultant agreement and will have to adhere to those terms. An example of this agreement can be found in Appendix A.

### **PROPOSAL REQUIREMENTS**

Proposals must be submitted in the following format. Elaborate proposals or covers are discouraged. Resumes, corporate qualifications, examples of prior work, and other supporting materials may be submitted as attachments, but total proposal length should not exceed 25 pages, not including attachments and appendices.

Bidders must submit the following:

- Cover page
- Table of Contents
- Introduction – Briefly describe your understanding of the report and scope of work as outlined in the RFP. Identify your understanding of the project's goals and objectives and describe your approach to achieve them. Describe your organization or team, the role of each of the parties, and your management plan. Briefly describe your unique qualifications for successfully completing the project, and why you should be selected for this project.
- Conflict - Describe any current or potential conflicts you, your company, and any subcontracts may have with the engagement. Describe any relationships you have with members of the TCL&P Board of Directors or members of TCL&P's staff. Also include any work you are currently performing, have been contracted to perform, or are bidding on to be performed for TCL&P.
- Statement of Work – Present your overall approach to accomplish the work outlined in the RFP. You should describe the key components of your package of services and how they fit together to achieve the objectives contained herein. Propose the targets you expect to achieve. In this section, identify any proposed changes, additions or enhancements to the scope outlined in the RFP.

Provide a detailed statement of work by task. Activities, tasks, and sub-tasks should be arranged in a logical order. Each activity or task should be identified, indicating who will perform it, how it will be performed and its anticipated result(s). Identify deliverables and key milestones.

Provide a schedule for completing each identified task, activity and sub-task, outlining anticipated start and completion dates.

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- Staffing and Management Plan – Describe how you will organize and manage the project. Identify the Project Manager and other key team members that will be assigned. Provide a clear description of the roles and responsibilities of each person, and indicate the approximate percentage of time each will devote to the project. Provide a short biography for each key team member (resumes of all key team members should be included in an appendix). Explain how you intend to coordinate and communicate with TCL&P. If you are teaming with other organizations, a clear delineation of responsibilities is requested for each task identified.
- Qualifications – Describe the skills, abilities, and experience that will enable you to successfully complete this project. Describe your specific experience with developing Plans such as this. List and briefly describe relevant projects, and provide contact information for at least three references and at least two examples of projects of similar scope to this one. Each project summary should provide the following information:
  - Project name
  - Client name
  - Client reference (name, title and contact information)
  - Project duration
  - Project description, including the specific role of your organization

Where a team of multiple parties is responding, describe the team's individual and combined experience, and indicate which team members are responsible for each project described. Summaries and samples of prior work in addition to other supporting materials that demonstrate your ability to complete this project may be attached to your proposal in the appendix.

- Schedule and Task List – Provide a task list and schedule that describe how you will achieve the development of the report consistent with the schedule and goals identified in the Statement of Work. Tasks should include, at a minimum:
  - Project Kickoff – this should be conducted in person
  - Periodic progress reports to TCL&P – this may be via email or teleconference
  - Presentation of draft Plan to TCL&P
  - Presentation of final Plan to TCL&P Board of Directors – this should be conducted in person
  - Other tasks as deemed necessary by the consultant to support development efforts
- Budget – Provide a detailed budget, indicating labor and material costs by task. You should provide detailed labor costs by individual or job title, indicating billing rate per hour, estimated hours for each task, and overall labor cost estimate. Provide detailed expense breakdowns by task and expense category, including materials and supplies, equipment, and travel. Develop detailed budgets for any subcontractor identified in the proposal.

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- Appendices – The following materials should be submitted as appendices to your proposal:
  - Resumes of the key personnel and organizations who will be assigned to this project.
  - Summaries and samples of prior work and other supporting materials that demonstrate your ability to successfully complete this project (by organization, if applicable), including examples and/or explanations of work that you have developed in prior efforts.

### **PROPOSAL EVALUATION**

Proposals will be scored based on the following criteria:

- **Previous Experience and Qualifications:**  
Prior experience, expert qualifications, and demonstrated skills of the persons who will perform the work are of major importance in the evaluation of proposals submitted. In particular, what have been your experiences developing Plans similar to this or related documents? Have you conducted relevant research and/or studies? Has your team adequately demonstrated the capability to develop, implement, and expand the range of services required by the statement of work?
- **Responsiveness to the Solicitation:**  
The consultant selected for this project will have primary responsibility for its successful implementation. Evaluation of your work plan will include consideration of your overall approach to enhancing and implementing the project, the rationale or justification for your proposed approach and strategies, and the extent to which you demonstrate an understanding of the project goals and objectives. Are your proposed targets, milestones, and anticipated results realistic? Is your work plan thorough, specific, and consistent with the stated program objectives? Is your budget realistic and complete?
- **Cost:**  
Cost to successfully conduct the tasks for the identified project is a significant factor, and an economical price for completion of the work will be favorably considered in proposal evaluation. Evaluation of price will include both total proposed price and a review of hourly rates and total hours for completion of each task.

### **INTENT TO BID**

All interested parties must notify, via e-mail to Jessica Wheaton at [jwheaton@tclp.org](mailto:jwheaton@tclp.org), of their intent to bid by 4:00 p.m. EST on September 12, 2014.

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### **QUESTIONS**

All questions should be submitted via e-mail to Jessica Wheaton at [jwheaton@tclp.org](mailto:jwheaton@tclp.org) by 4:00 p.m. EST on September 16, 2014. Responses to all questions will be e-mailed to all bidders that have announced their intent to bid by September 22, 2014.

### **SUBMISSION OF PROPOSALS**

Proposals are to be sent in electronic format (Microsoft Word or PDF are preferred) to Jessica Wheaton at [jwheaton@tclp.org](mailto:jwheaton@tclp.org). Five additional hard copies should be mailed to Traverse City Light & Power, Attn: Jessica Wheaton, 1131 Hastings Street, Traverse City, MI 49686. Telefaxed copies will not be accepted.

Proposals must be submitted no later than 4:00 p.m. EST on September 30, 2014. TCL&P reserves the right to reject any and all proposals based on noncompliance with the terms and deadlines set forth in the RFP. Consultants should be aware that TCL&P allows no exceptions to the exact date and timeline for the opening of proposals. All late proposals will be rejected.

Please provide a contact name and information for any questions that TCL&P may have about your proposal.

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**APPENDIX A**

**TRAVERSE CITY LIGHT AND POWER DEPARTMENT  
CONSULTANT AGREEMENT**

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings St., Traverse City, Michigan, 49686, ("TCL&P"), and \_\_\_\_\_, a (sole proprietorship/partnership/corporation) whose address is \_\_\_\_\_, (if a corporation, state of incorporation) (the "CONSULTANT");

WITNESSETH:

WHEREAS, TCL&P desires to engage the services of the Consultant to furnish technical and professional assistance concerning the project which is described as:

\_\_\_\_\_

and the Consultant wishes to furnish such technical and professional service to TCL&P and has represented that Consultant has the education, expertise, capability and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Scope of Services. The Consultant shall provide services in accordance with and as set forth in Schedule "B", Scope of Services, attached hereto and incorporated herein by reference.
2. Compensation and Method of Payment. TCL&P shall pay to the Consultant and the Consultant agrees to accept as full compensation for services under this Agreement the of \_\_\_\_\_ (\$\_\_\_\_\_) DOLLARS in accordance with Schedule "A", "Timetable for Activities and Schedule of Payments", attached hereto and incorporated herein by reference.
3. Period of Performance. The services to be rendered under this Agreement shall commence within five (5) working days of execution hereof. Performance shall be in accordance with the schedules attached hereto.
4. Independent Contractor. The relationship of the Consultant to TCL&P is that of an independent contractor and in accordance therewith, Consultant covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of TCL&P or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security

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coverage, or retirement membership or credit. The parties do not intend the services provided by Consultant to be a joint endeavor.

5. Consultant Responsibility. The Consultant shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Consultant shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property.

6. Indemnity. Consultant shall defend, indemnify and save harmless TCL&P, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorney's fees and settlement expenses for injury or death of any person and damage or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of Consultant or its employees, agents or subcontractors, in connection with performing this Agreement, or the joint negligence of TCL&P and that of Consultant, Consultant's employees, agents or subcontractors. This indemnification agreement shall not be limited by reason of any insurance coverage.

7. Insurance. The Consultant shall acquire and maintain commercial general liability insurance coverage, comprehensive automobile liability insurance coverage, and professional liability coverage. The limits and deductible applicable to them shall be as follows:

- A. Commercial general liability insurance coverage with a \$1,000,000 minimum.
- B. Comprehensive Automobile Liability insurance coverage with a \$1,000,000 minimum.
- C. Professional liability insurance coverage with a \$1,000,000 minimum.

The Consultant agrees not to change and agrees to maintain such insurance throughout the period of performance of this Agreement. Consultant will upon execution of this Agreement provide a certificate of insurance to TCL&P. Such certificate shall name TCL&P as an additional insured.

8. Workers Compensation. The parties shall maintain suitable workers compensation insurance pursuant to Michigan law and Consultant shall provide a certificate of insurance or copy of state approval for self insurance to TCL&P upon execution of this Agreement.

9. Compliance with Regulations. The Consultant shall comply with all applicable statutes, rules and regulations of all Federal, State and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

10. Standard of Conduct. Consultant shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

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11. Confidentiality. Consultant agrees that it, its employees, agents, and subcontractors, will not at any time, either directly or indirectly, communicate to any person, firm, corporation or public entity, in any manner whatever, any information concerning any matters affecting or relating to the business, records or other business data of TCL&P without the express written consent of the executive director of TCL&P. This promise of confidentiality is made without regard to whether any or all of the information would be deemed confidential, material or important. The parties stipulate that as between them, all information arising from Consultant's services are important, confidential, material and affect the successful conduct of the business of TCL&P and its goodwill. The parties are not bound by this clause where disclosure is required by law or court order.

12. TCL&P's Obligation. TCL&P shall provide Consultant with all information currently available to TCL&P upon request of the Consultant. The Executive Director shall designate a TCL&P employee to be TCL&P's representative for purposes of this Agreement.

13. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability, family status, sexual orientation, gender identity, or genetic makeup. Breach of this covenant may be regarded as a material breach of this Agreement.

14. Prohibition Against Assignment. This Agreement is intended to secure the service of Consultant because of its ability and reputation and none of the Consultant's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of TCL&P. Any assignment, subcontract or transfer of Consultant's duties under this Agreement must be in writing and approved by both parties.

15. Third Party Participation. The Consultant agrees that despite any subcontract entered into by the Consultant for execution of activities or provision of services related to the completion of this project, the Consultant shall be solely responsible for carrying out the project pursuant to this Agreement. The Consultant shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Consultant in the conduct of the project unless TCL&P and the Consultant agree to modification in a particular case. The Consultant shall not subcontract unless agreed upon in writing by TCL&P. It is hereby agreed to that \_\_\_\_\_ may act as a subcontractor to the Consultant.

16. Interest of Consultant. The Consultant represents that its officers and employees have no interest and covenant that they will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of Consultant's services and duties hereunder. The Consultant further covenants that in the performance of the Agreement, no person having any such interest shall be employed. Consultant further covenants that neither it nor any of its principals are in default to TCL&P.

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17. Covenant Against Contingent Fees. The Consultant warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, TCL&P shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

18. Qualifications of the Consultant. The Consultant specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

19. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

20. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

21. Termination.

A. For Fault. If TCL&P determines that the Consultant has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, TCL&P may terminate or suspend this Agreement in whole or in part upon written notice to the Consultant specifying the portions of the Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Consultant shall correct the violations referred to in the notice. If the Consultant does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Consultant at time of termination may be adjusted to cover any additional costs occasioned TCL&P by reason of the termination. This provision for termination shall not limit or modify any other right to TCL&P to proceed against the Consultant at law or under the terms of this Agreement.

B. Not for Fault. Whenever TCL&P determines that termination of this Agreement in whole or in part is in the best interest of TCL&P or in the event that termination is required by any State or Federal agency, TCL&P may terminate this Agreement by written notice to the Consultant specifying the services terminated and the effective date of such termination. Upon termination, the Consultant shall be entitled to and TCL&P shall pay the costs actually incurred in compliance with this Agreement until the date of such termination plus any costs the Consultant incurs directly resulting from such termination.

22. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint

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direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of Consultant, or if a person of masculine or feminine gender joins in this Agreement on behalf of Consultant, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

23. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

- (a) Mediation. If they are unable to resolve the dispute themselves, and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.
- (b) Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- (c) Notice. Written notice of a dispute shall be given to the other parties not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice.

24. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should Consultant recommend further work concerning the project, TCL&P is under no obligation to engage Consultant in such work.

25. Third Party Beneficiaries. The parties do not intend for there to be any third party beneficiaries to this agreement.

26. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

WITNESS:

TRAVERSE CITY LIGHT AND POWER  
DEPARTMENT

\_\_\_\_\_

By: \_\_\_\_\_  
Executive Director

CONSULTANT

\_\_\_\_\_

By: \_\_\_\_\_

The form of this agreement has been pre-approved by:

W. Peter Doren, Esq.  
Sondee, Racine & Doren, PLC  
Traverse City Light & Power General Counsel

**SCHEDULE A**

**TIMETABLE FOR ACTIVITIES**

Consultant services shall commence within \_\_\_\_ working days after execution of this Agreement. Services shall be completed not later than \_\_\_\_\_. Project schedules may be adjusted upon written approval from TCL&P.

**SCHEDULE OF PAYMENTS**

Consultant shall invoice TCL&P monthly and shall include detail summary of work completed.

Final payment shall be made upon completion of all Consultants' services. Total payment including expenses shall not exceed \_\_\_\_\_ (\$\_\_\_\_\_) dollars.

**SCHEDULE B**

**SCOPE OF SERVICES**

The parties agree that the scope of services for TCL&P shall generally consist of the following duties and obligations:

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Scope of Services shall include but not be limited to the following: