

**PHILADELPHIA ENERGY AUTHORITY,  
PHILADELPHIA MUSEUM OF ART,  
AND CITY OF PHILADELPHIA**

**REQUEST FOR QUALIFICATIONS**

**for**

**A Guaranteed Energy Savings Agreement Project at the Philadelphia  
Museum of Art**

**2017**

Issued by:

**Philadelphia Energy Authority, Philadelphia Museum of Art and City of Philadelphia**

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## **Section 1 OVERVIEW**

### **1.1 Project Overview**

The Philadelphia Energy Authority (“PEA”), the Philadelphia Museum of Art (“PMA”) and the City of Philadelphia (the “City,” together with PEA and PMA referred to as the “Administrator”) intends to commence a guaranteed energy savings project (“Project”) for the PMA located at 2600 Benjamin Franklin Parkway, 2525 Pennsylvania Ave, and 2151 Benjamin Franklin Parkway, Philadelphia. The Administrator collectively seek qualified Energy Service Companies (“ESCOs”) to perform under an energy performance contract under the Pennsylvania Guaranteed Energy Savings Act (“GESA”). GESA addresses contracting by municipalities for energy conservation measures in existing buildings.

The Administrator will be requesting proposals for these facilities that will comprehensively reduce energy costs. The ESCO proposals will guarantee savings that can be used to cover operating budget expenses and finance improvements. The ESCO will also implement an Economic Opportunity Plan (“EOP”) in its selection and use of subcontractors and hiring or workers that ensure the employment of an appropriately diverse workforce.

This Request for Qualifications (“RFQ”) is the first step in the Administrator’s process of obtaining proposals from qualified ESCOs. Through this RFQ, the Administrator will identify the most qualified respondents to this RFQ, who will be invited to participate in a subsequent Request for Proposals process. The Administrator will only consider proposals from ESCOs that are selected pursuant to this RFQ.

### **1.2 Philadelphia Museum of Art**

The Philadelphia Museum of Art is a 501(c)3 non-for-profit organization originally established in 1875, and chartered in 1876. The museum, possesses more than 229,000 works of art, has world-renowned collections of the arts of the United States, Europe, Asia, and Latin America.

Opened in 1928, the Philadelphia Museum of Art Main Building is one of Pennsylvania’s most iconic buildings. The city-owned building is a designated Commonwealth Treasure and is a registered landmark. The Museum stands on the site of the former city reservoir and marks the easterly entry into the Fairmount Park system and the westerly end of the Benjamin Franklin Parkway. The main building is five floors (three at/above grade) comprising 669,000 square feet including a recent expansion for an art handling facility.

The Museum’s campus also includes the Ruth and Raymond G. Perelman Building (2525 Pennsylvania Avenue), which was purchased by the Museum in 2004. Completed in 1927 by one of three architectural firms that built the Main Building, the building originally served as the headquarters for the Franklin Mutual Life Insurance Company until 1972. The Perelman Building opened to the public as part of the Museum in 2008 after a full renovation and expansion of the facilities. When purchased, the building was 125,000 square feet and through the renovation, the Museum reclaimed an additional 59,000 square feet of space. The building is lavishly decorated with sculpture, color, and gilding, and is regarded as one of the finest Art Deco structures in Philadelphia.

Starting in January 2017, the Museum will embark on the next phase of its Facilities Master Plan, the Core Project. The Core Project will focus on the Main Building, addressing decades of deferred maintenance, code, and life safety concerns, to ensure that this landmark building is safe and efficient for visitors and staff. Systems affected by these projects include chiller pumps, mechanical rooms & distribution, electrical service, lighting control systems, gas & water service, and domestic water & waste piping.

The Museum properties include Philadelphia's historic Rodin Museum and Garden (2151 Benjamin Franklin Parkway) which ranks among the jewels of the City's cultural institutions. Administered by the Philadelphia Museum of Art (PMA) since 1939, it is renowned for the beauty of its grounds and architecture, and for the importance of its holdings—one of the largest collections of works by Auguste Rodin in the world.

### **1.3 Philadelphia Energy Authority- Energy Campaign**

The Philadelphia Energy Authority is an independent municipal authority focused on issues of energy affordability and sustainability for Philadelphia's government and its citizens. Established in 2010 through the leadership of now-Council President Darrell Clarke and then-Mayor Michael Nutter, the PEA seeks systemic solutions to our energy challenges, supporting the work of a robust community of energy experts, advocates, and champions citywide. PEA holds long-term energy contracts on behalf of the City of Philadelphia and works closely with the Office of Sustainability and Energy Office to achieve our shared goals.

In February 2016, PEA and Council President Clarke launched the Philadelphia Energy Campaign, a 10-year initiative to leverage \$1 billion in investment in energy efficiency and clean energy projects across four key sectors: City buildings, the School District of Philadelphia, low-income residential housing and small businesses. Our goal is to create 10,000 jobs, reach 25,000 households and support 2,500 small businesses. The Energy Campaign is neighborhood-driven, and strives to strengthen communities, cut energy bills, reduce Philadelphia's carbon footprint and build our local economy equitably.

### **1.4 City of Philadelphia- Office of Sustainability- Energy Office and Greenworks**

The City of Philadelphia, Pennsylvania is a municipal government governed under a Home Rule Charter authorized by the Commonwealth of Pennsylvania. Philadelphia is the largest city in Commonwealth of Pennsylvania and the fifth largest in the United States.

The City of Philadelphia's Office of Sustainability is responsible for implementing *Greenworks: A Vision for a Sustainable Philadelphia*, the City's comprehensive sustainability plan. Greenworks contains visions for a Philadelphia with clean energy and efficiency buildings, and climate prepared and carbon neutral communities, and healthy air inside and outside. In support of these visions, the Office of Sustainability provides municipal energy management through its Energy Office. The Office of Sustainability and Energy Office are currently working on a municipal energy master plan for government operations which aims to reduce City government emissions, improve overall efficiency and reduce utility costs.

This RFQ is being supported by the Energy Office as part of the Office of Sustainability with support from various City agencies as appropriate. The Energy Office frequently works on projects focused on large scale investments at City property. The overall mission of the Energy Office is to:

- Strategically procure cost effective, reliable, safe, clean energy and conventional energy systems for city government
- Promote energy conservation and efficiency within City facilities by providing education, technical expertise and analysis of energy used
- Develop and implement projects and programs that promote the efficient use of energy and reduce the City's environmental impact.

## 1.5 Defined Terms

The following capitalized terms used in this RFQ have the following meanings:

“Administrator” means the PEA, PMA and the City either collectively or individually. Any activities or responsibilities identified in this RFQ may be acted upon by the PEA, PMA or the City.

“City” means The City of Philadelphia.

“Contract” means the form of agreement or energy savings performance contract between the successful respondent and a designee of the Administrator to provide energy conservation measures.

“Project Contact” means the person designated in Section 3.1.

“ECM” means energy conservation measures

“EOP” means the Office of Economic Opportunities Economic Opportunity Plan.

“ESCO” means Energy Service Companies

“Evaluation Committee” means the committee established by the Administrator to evaluate the Responses submitted in response to this RFQ.

“GESA” means Pennsylvania’s Guaranteed Energy Savings Act.

“OEO” means the Office of Economic Opportunity.

“PEA” means the Philadelphia Energy Authority.

“Project” means energy conservation measures and improvements installed by the successful Proposer.

“Proposer” means a party that submits a proposal in response to the Request for Proposals issued by the City in the second phase of the selection process.

“PMA” means the Philadelphia Museum of Art whose Main, Perelman and Rodin buildings are located at 2600 Benjamin Franklin Parkway, 2525 Pennsylvania Ave and 2151 Benjamin Franklin Parkway respectively, Philadelphia, Pennsylvania.

“Response” means a statement of qualifications submitted in a timely manner in response to this RFQ.

“Respondent” means the party that submits the Response.

“RFP” or “Request for Proposals” means the request for proposals intended to be issued by the Administrator for this Project to the qualified Respondents.

“RFQ” means this Request for Qualifications issued by the Administrator, including any addenda.

“Team Member” means each firm included in the Response (including firms that are partners, members of the Respondent, or shareholders in the Respondent).

**(End Section 1)**

## **Section 2 PROJECT DESCRIPTION**

### **2.1 Energy Conservation at the Philadelphia Museum of Art**

The Administrator intends to commence a guaranteed energy savings project (Project) at the Philadelphia Museum of Art's Main, Perelman and Rodin Museum Buildings. The Administrator seeks a qualified, certified Energy Services Company (ESCO) to perform under an energy performance contract (Contract). The Pennsylvania Guaranteed Energy Savings Act (GESA) addresses contracting by municipalities for energy conservation measures in existing buildings.

The Administrator will be requesting proposals for these facilities that will comprehensively reduce energy costs. The ESCOs' proposals will guarantee savings that can be used to cover operating budget expenses and finance improvements. The maximum term for financing will be twenty years. The Selected Respondent will also implement an Economic Opportunity Plan in its selection and use of subcontractors that qualify as Minority (MBE), Woman (WBE) and Disabled (DSBE) Owned Business Enterprises and in its employment of an appropriately diverse workforce. The Administrator has a number of ECMs that it is specifically interested in and additionally, is looking to leverage work planned in the Philadelphia Museum of Art's Core Project, as part of this scope.

The ECMs will be selected by a team represented by the PEA, PMA and the City. In the RFP, the Administrator will provide all recent, available and relevant energy audit, energy use data and scoping information for the evaluation of ECMs. Additional technical information, facility descriptions and available information can be found in "Attachment A - Facility Profiles".

### **2.2 Project Objectives**

The Mayor of Philadelphia, James Kenney, has established a framework for the City's work, structuring efforts around five key areas:

- Improve educational opportunities and outcomes for all Philadelphia's children
- Improve economic opportunities for all Philadelphians
- Improve public safety for all Philadelphia while treating residents with respect and dignity
- Operate government efficiently and effectively
- Develop a diverse workforce that looks like Philadelphia and treat that workforce with respect

In this Project procurement, the Administrator is committed to supporting investments today that will yield significant energy and cost savings in future years. The objectives for this project include the following:

- Reduce the overall costs of the utilities to the City by contracting with an experienced ESCO for the installation of energy conservations measures;
- Improve coordination, reliability and operating efficiency of the buildings
- Enhance the public perception of the PEA's, PMA's and the City's efforts to pursue sustainable and progressive technologies.

### 2.3 **Scope of Services**

The Administrator are interested in contracting for a full range of energy services and energy-related capital improvements (ECMs), through a guaranteed energy savings contract, for the Project Site(s). The ECMs may include but are not limited to: the design, acquisition, installation, modification, maintenance and training in the operation of existing and new equipment, which will reduce energy consumption and related costs associated with the heating, ventilation and air conditioning system, lighting systems, control systems, building envelope, the hot water systems, water consumption, sewage costs and other energy using devices. Additionally, savings which would not reduce consumption per se but are aimed at cost savings, such as fuel switching, demand side management, on-site generation, distribution upgrades etc., may also be considered. ECMs may also include the training of facility staff with respect to routine maintenance and operation of all improvements.

ECMs must result in a guaranteed minimum energy savings with ESCO payments linked to actual documented energy and cost reductions. Any stipulated energy and/or operational cost savings that may be attributed to this project will be rigorously reviewed and, the ESCO will be required by the contract to thoroughly document and verify the savings, which must be approved by the Administrator. The savings achieved by the ECMs in any year must be guaranteed to provide not less than the project financing payment plus the service fees during that year for the duration of the contract. ESCOs will be required to guarantee energy and cost savings on an annual basis.

No credit for the achievement of savings above and beyond the annual guarantee will be credited to satisfy performance guarantees in future years of the contract. Annual reconciliation of the achieved savings will be required. Consistent with the provisions of Acts 57/77, no contract may exceed twenty (20) years in duration.

In 2012, the City completed a guaranteed energy savings project at its four large center city buildings in similarly energy efficiency focused project called the Quadplex Guaranteed Energy Savings Project. Funding for the Quadplex project came from a combination of revenue bonds and qualified energy conservation bonds issued by the Philadelphia Municipal Authority. Financing options for this project will be determined at a later date, however the City does have access to additional Qualified Energy Conservation Bonds which may be made available for the project assuming QECBs are deemed an allowable use.

### 2.4 **Office of Economic Opportunity “OEO”**

The Project resulting from this RFQ/RFP will require an Economic Opportunity Plan which will provide significant opportunities for the participation of minority-owned, woman-owned and disabled person-owned businesses. The selected respondent will be responsible for compliance with the EOP, and the City’s Office of Economic Opportunity will review and must approve the Economic Opportunity Plan. A template EOP has been included as Attachment B to this document.

## **Section 3 PROCUREMENT PROCESS**

### **3.1 Project Contact and Related Agency**

The only person who may be contacted regarding this RFQ or other aspects of this procurement process (“Project Contact”) is:

Adam Agalloco, Energy Manager  
(215) 686-4460 adam.agalloco@phila.gov

The participation of PEA in this project is authorized by the City’s Home Rule Charter Authorities who have assisted the City for more than 30 years in arranging for long-term contracts for equipment and services.

#### **3.1.1 Questions Relating to this RFQ**

All questions concerning this RFQ must be submitted in writing via email to the Project Contact at [energy@phila.gov](mailto:energy@phila.gov) no later than Thursday, February 23<sup>th</sup>. The Administrator will provide written responses to the submitted questions no later than Tuesday, February 28<sup>th</sup>. These responses will be posted on the PEA website in the same location as the original RFQ details notice. Oral responses by any PEA, PMA or City employee or agent of the PEA, PMA or City are not binding and shall not in any way be considered as a commitment by the PEA, PMA, or City. When preparing questions, bear in mind that a much larger set of requirements, details and data on the project will be provided during the RFP phase.

### **3.2 Procurement Phases**

#### **3.2.1 RFQ Phase**

This first phase of the procurement process started with the Administrator’s issuance of this RFQ and will conclude with the Administrator’s designation of the qualified firms that will be invited to submit proposals in the next phase. Following submission of qualifications, the Administrator may ask respondents to present their firm’s capabilities and answer questions in person or over the phone as part of an interview.

#### **3.2.2 RFP and Initial Audit Phase**

The second phase of the procurement process will begin with the Administrator’s issuance of a RFP to the firms designated as qualified in the RFQ phase. The RFP is expected to be issued in April 2017. As part of a response to the RFP, the ESCO will conduct a preliminary technical audit of the facility which would provide a basis of the project scope, cost and guaranteed savings available in the buildings. Proposers will additionally be asked to review the Administrator’s preferred terms of contract and provide feedback, and provide specific information on proposed subcontractors and methods for meeting an EOP. Following review of proposals, the Administrator may request an oral interview.

#### **3.2.3 Investment Grade Audit Phase**

Upon completion of the RFP phase, contract negotiations may be initiated. As determined in the sole discretion of the Administrator, such negotiations may be conducted in order to provide a detailed Investment Grade Audit (IGA).

#### **3.2.4 Guaranteed Energy Savings Agreement Approval**

Upon receipt of an IGA, the Administrator may accept the Investment Grade Audit and work with the successful respondent to complete a Guaranteed Energy Savings Contract. Any contract or funding for a project, may need approval by the PEA's Board of Directors, the City Council of Philadelphia, and/or the Philadelphia Museum of Art's Board of Trustees.

#### **3.2.5 Implementation and Measurement and Verification Phases**

Upon approval of a Contract and close of financing, the successful respondent will implement the Project and provide Measurement and Verification services consistent with the contract.

### **3.3 Demonstration of Qualifications**

Each Respondent must demonstrate that it is willing and able to enter into a Contract; has the experience and financial capability to develop, install, measure and verify savings of a Project in a museum. The Respondent should clarify where their related experiences were part of a partnership with another firm. The Response must include the following:

- a) A demonstration of Respondent's experience in successfully providing energy conservation to customers through a Contract.

A demonstration of Respondent's technical expertise and experience with the development, engineering, design, permitting, labor, materials, construction, installation, measurement and verification including:

Development Experience – Describe relevant experience delivering similar projects to customers, including institutional and governmental entities.

Museum Experience- Describe relevant experience in museum environments with specific mention of the rigorous environmental quality that must be maintained in museum spaces and the planning and implementation of individual ECMs.

Permitting Experience – Describe relevant experience with permitting and regulatory compliance, and discuss similarities that such experience bears to the permitting and regulatory issues anticipated for this Project including any facility of similar historic designation. Depending on the ECMs selected, the Philadelphia Art Commission and/or Philadelphia Historic Commission may have review and jurisdiction on permits.

Design Experience – Describe relevant design experience, demonstrate specific experience with the proposed technology, and indicate experience with project delivery.

Construction Experience – Describe relevant construction experience and experience with project delivery.

Measurement and Verification Experience – Describe relevant experience with operation and maintenance of the proposed technology.

- b) A demonstration of Respondent’s financial capacity to deliver the project, including:

Ability to provide all development, engineering, design, permitting, labor, materials, construction, installation, measurement, and verification to achieve successful Project at no capital cost, if required.

Ability to take advantage of all applicable incentives such as performance based incentives, rebates, tax incentives, governmental and non-governmental cost offsetting programs, RECs, and any other environmental attributes available to reduce the installation and operational costs of the Project.

- c) Any other information demonstrating that Respondent would be a responsible and effective developer of the Project.

### **3.4 Evaluation Committee**

Responses will be evaluated in accordance with the criteria set forth in Section 3.3, as well as any other factors considered relevant to each Respondent’s ability to deliver the Project. A committee of PEA, PMA and City representatives, including representatives of the PEA, PMA or the City’s consultants (the “Evaluation Committee”), will evaluate Responses to enable the Administrator to determine whether each Respondent is qualified and, therefore, eligible to continue to participate in the selection process.

### **3.5 Available Information**

As part of the request for proposal (“RFP”) phase of this procurement, the Administrator will make a wide variety of information about the site available to qualified Respondents, including building site characteristics, thermal heating and cooling loads, electricity demand, use and costs. The Administrator also intends to provide access to site to enable Proposers the full opportunity to assess existing conditions. For the RFQ, a Facility Profile of the buildings can be found in Attachment A.

### **3.6 Communications and Prohibited Contacts**

All communications with the Project Contact regarding the RFQ or any other aspect of the procurement process shall be in writing. All communication shall be exclusively directed to the Project Contact, unless otherwise directed in writing by such Project Contact. Other than with the written consent of the Project Contact, any person that is employed by or is otherwise associated or affiliated with a Respondent, or any of their affiliated companies, is prohibited from contacting any employee or official of the Administrator or any attorney or consultant of the Administrator, on any matter having to do with this procurement.

No oral communication or statement by the Project Contact or other representative of the Administrator may in any way modify this RFQ or any other aspect of the procurement process. This includes communications and statements that may be made over the telephone or during pre-submittal conferences, interviews, or other meetings attended by the PEA, PMA, or City. This RFQ or other aspect of the procurement process may be modified only through the issuance by the Administrator of a written addendum.

All communications regarding this RFQ may be shared by the Administrator with all firms receiving this RFQ.

**3.6.1 Miscellaneous**

Additional conditions that apply to this RFQ as well as to the balance of the procurement process include the following:

**3.6.2 Public Disclosure and Confidential Information**

All Responses and other information submitted in response to this RFQ are subject to the public disclosure requirements of applicable law, including the Pennsylvania Right to Know Act. To the extent permitted by applicable law, the Administrator will use its best efforts to keep from public access the specific information that is identified by the Respondent as confidential. If a Respondent claims an exception to public disclosure requirements and desires that the Administrator keep certain information from public disclosure, then the Response must include a notice as the front page in each volume as follows:

“Confidential Information Notice

The information on pages \_\_\_\_\_ of this Response, identified by a bold vertical line along the right hand margin, contains information that is excluded from public disclosure under applicable law. Respondent requests that such marked information be utilized by the Administrator only for evaluation of this Response, but Respondent understands that the Administrator, including the City is bound by applicable law and that such information may be disclosed in accordance with such law.

The legal basis for the claim for protection of the marked information from public disclosure is set forth as follows: [Respondent to provide basis]”

Notwithstanding any such notice, however, the Administrator may disclose such marked information to individuals participating in the review or evaluation of Responses, including members of the Evaluation Committee, other PEA, PMA, or City employees, and advisors, attorneys, and consultants.

**3.6.3 Costs**

Any and all costs incurred by any Respondent, or other party in connection with this RFQ or other aspect of the procurement process shall be at such party’s expense and risk. Neither the PEA, PMA nor the City accepts any liability and will not be responsible under any circumstance for any cost or expense incurred to respond to this RFQ or otherwise participate in the procurement process.

**3.6.4 Administrator Rights**

The Administrator reserves the right to modify this selection process, which may be exercised in its sole discretion at any time during the procurement process:

- a) to cancel this RFQ or the procurement process, with or without the substitution of another pre-qualification or procurement process;
- b) to waive any informality, defect, non-responsiveness, or deviation in a Response, a proposal, or other submission, that is not material;

- c) to require one or more Respondents to supplement or clarify its Response or to provide additional information after the submission of Responses;
- d) to take any action affecting the RFQ, RFP or the procurement process that would be in the best interests of the Administrator;
- e) to conduct investigations and make inquiries concerning any aspect of any Response;
- f) to reject any or all Responses;
- g) to reject a Respondent or firm that has been delinquent or unfaithful in the performance of any contract with or obligation to the Administrator, is financially or technically incapable, or is otherwise not responsible;
- h) to supplement or amend this RFQ; and/or
- i) to make judgments about the contents of any Response with respect to the requirements and criteria set forth in this RFQ.

**(End Section 3)**

## SUBMITTAL REQUIREMENTS

### 4.1 General Instructions

An electronic copy of the complete Response must be submitted no later than the date and time set forth in Section 4.2 (“Submission Deadline”). Any Response received after the Submission Deadline will not be considered.

### 4.2 Submission Deadline

Responses must be received no later than **4:00 P.M. on March 15<sup>th</sup>, 2017**. Responses should be delivered electronically emailed to [energy@phila.gov](mailto:energy@phila.gov) and be no larger than 10MB to ensure delivery.

### 4.3 Required Content

Required Content of Responses. Responses shall comply with the following format and the requirements set forth in this Section. Respondents are encouraged to be concise and to respond as directly as possible to the requirements set forth in this RFQ.

To be invited to participate in the second phase of this procurement, the Respondent is required to demonstrate that it has experience and capabilities sufficient to meet the qualifications. The requirements set forth in this Section 4.3 represent the minimum content required for each section and, unless expressly stated otherwise, are not intended to limit substantive content. It is Respondent’s responsibility to include information in the Response that meets the minimum content requirements and any additional information that further demonstrates relevant experience and capabilities.

- a) Company Profile. Provide a narrative description of the Respondent, which must include the following:
  - Respondent’s business identification information, including name, business address, telephone number and website address;
  - A primary contact for the Respondent, including name, job title, address, telephone and fax numbers, and email address; and
  - A description of Respondent’s business background and any other information about Respondent’s business organization that Respondent deems pertinent to the RFQ.
- b) Technical Expertise. Provide evidence demonstrating the relevant experience, qualifications, and capability of Respondent to develop the Project in accordance with Section 3.3.
- c) Experience. Provide evidence demonstrating the relevant experience, qualifications, and capability of Respondent to develop, implement and verify energy savings from a Contract in accordance with Section 3.3 (1) and (2).
- d) Financial Information. Provide evidence demonstrating Respondent’s financial ability to implement the Project in accordance with Section 3.3 (3).