

**PHILADELPHIA ENERGY AUTHORITY AND
CITY OF PHILADELPHIA**

REQUEST FOR PROPOSALS

for

Renewable Energy Procurement

2024

RFP Posted	April 30, 2024
RFP Last Updated (in red)	May 8, 2024
Question Submission Deadline	June 7, 2024
Proposal Deadline	July 8, 2024

Issued by:

Philadelphia Energy Authority and City of Philadelphia

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RFP Summary

Project vintage	New and/or Operating Plant(s)
Annual production	140,000-280,000 MWh per Plant Up to 490,000 MWh total
Technology	Solar PV (with or without storage), on-shore wind (with or without storage), or other
Commercial Operation Date	No sooner than July 1, 2025, but before 2030 ¹
Products	Electric energy, project-specific renewable energy credits that can be applied to the Pennsylvania Alternative Energy Portfolio Standard
Energy Settlement Point	PECO Transmission Zone or Project PNode
Energy Scheduling	Daily Internal Bilateral Transaction Schedules
Preferred Location	Pennsylvania, as close to Philadelphia as reasonably possible
Preferred Term	15-20 years
Submission Deadline	July 8, 2024

Section 1 – OVERVIEW

1.1 Project Overview

The Philadelphia Energy Authority (“PEA”) and the City of Philadelphia (the “City,” together with the PEA referred to as the “Procurement Team”) are issuing this Request for Proposal (“RFP”) for electricity and renewable energy certificates (“RECs”) to be generated by a wind, solar, or other renewable energy plant that are Class 1-eligible (the “Plant”), as defined by the Pennsylvania Public Utility Commission (“PUC”). The Procurement Team intends for the acquired RECs to be applied to the City’s Alternative Energy Portfolio Standard (“AEPS”) electricity purchasing requirements, be sold at market price or be voluntarily retired in support of the City’s sustainability goals at the option of the Procurement Team. Under the City’s Municipal Energy Master Plan, the City aims to use 100 percent renewable electricity to power all municipal buildings by 2030.

The Procurement Team is requesting proposals for a Plant(s) that will reduce energy costs, or hedge future market risk, associated with the City’s electricity procurement requirements. The Procurement Team will consider individual proposals for single or multiple plants, and multiple individual proposals that will allow the City to procure up to 490,000 MWh of electricity annually. A single Plant must have sufficient capacity to supply the City with 140,000 to 280,000 MWh (20 to 40 percent of City’s load) of renewable energy and associated RECs annually. The Procurement Team will consider multiple Plants in varying sizes or stages of development. The Procurement Team prefers commercial operation by mid-2025; however, the COD can be flexible as long as commercial operation is achieved before 2030, and no sooner than July 1, 2025¹.

¹ For existing facilities, the contract start date will be no sooner than July 1, 2025.

1.2 Philadelphia Energy Authority

The Philadelphia Energy Authority is an independent municipal authority established in 2010 building a robust, equitable clean energy economy in Philadelphia. In 2016, PEA, through the leadership of former City Council President Darrell Clarke, launched the Philadelphia Energy Campaign, a \$1 billion, 10-year investment in energy efficiency and clean energy projects to create 10,000 jobs. Through 2023, PEA has helped launch over \$904 million in projects and programs, and created over 7,600 jobs. PEA works to make Philadelphia a national model for implementing energy strategies that improve the health and well-being of the community and local economy, including the City's most vulnerable residents. Learn more at <http://www.philaenergy.org/>.

PEA is a municipal authority and political subdivision of the Commonwealth of Pennsylvania, formed by the City of Philadelphia under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. § 5601 et. seq. ("the Act") for the purposes described in its Charter:

The Authority's purposes and responsibilities shall be limited to actions for and concerning (i) the development, facilitation and/or financing of energy storage and/or generation projects, (ii) the development, facilitation and/or financing of energy efficiency projects, and (iii) the purchase or facilitation of energy supply and energy services on behalf of the City of Philadelphia, government agencies, institutions and businesses, as well as the education of consumers regarding choices available in the marketplace, and (iv) the promotion of a vital clean energy sector of the Philadelphia economy and increased employment in the sector by undertaking efforts to strengthen the markets for energy efficiency and energy storage and generation projects. The Authority shall have and may exercise all of the powers set forth in the Act that are necessary or convenient for carrying out its purposes and responsibilities.

1.3 City of Philadelphia – Office of Sustainability – Municipal Energy Office

To further the vision of making the City of Philadelphia a more sustainable city, the Philadelphia Office of Sustainability and Municipal Energy Office worked with consultants to develop the Municipal Energy Master Plan for the Built Environment (or "Plan"), and a Citywide Energy Vision (or "Vision") for Philadelphia's entire built environment. The City published its Municipal Energy Master Plan in Fall 2017 outlining four goals and many actions which are crucial to demonstrating City leadership in sustainability. The Plan has since been updated in early 2023. A full copy of the report and update can be found at www.phila.gov/sustainability. The Plan and Vision focus on the City's built environment since it is responsible for more than 70 percent of Philadelphia's greenhouse gas (GHG) emissions. Philadelphia's energy planning work for the built environment sets interim goals and identifies policies to help Philadelphia become carbon neutral by 2050. Additionally, the City of Philadelphia has committed to transitioning municipal buildings to 100% renewable energy and to reduce Philadelphia's portion of GHGs in alignment with the US's commitment to the Paris Accord.

This RFP is being supported by the Municipal Energy Office as part of the Office of Sustainability with additional support from various City agencies, as appropriate. As part of its work, the Municipal Energy Office:

- Oversees municipal energy procurement and analysis of City utility bills and energy contracts.
- Manages programs including demand response, load management, and building monitoring.
- Assists municipal buildings with achieving compliance to ordinances involving building performance, facility benchmarking, and energy efficiency and environmental design

standards.

- Leads capital improvement projects, such as energy performance contracting and the Energy Infrastructure and Efficiency Fund.
- Guides City operations to align with climate and energy goals, including those listed in the Municipal Energy Master Plan and the Municipal Clean Fleet Plan.

The Energy Office prioritizes cost-effective, reliable, clean energy, and conventional energy systems for City government. To improve energy conservation and efficiency, the office provides City departments with education, technical expertise, systems change, and analysis of energy used. In addition, the Municipal Energy Office is responsible for supporting municipal electrification measures including electric vehicle infrastructure. These efforts reduce the City government's environmental impact.

1.3.1 Energy Procurement by the City of Philadelphia

The City currently purchases its electricity through a dedicated PJM subaccount managed by a Licensed Service Provider, or "LSP." A LSP is a business entity licensed by the Commonwealth of Pennsylvania and authorized to operate in the PECO Energy electricity service territory. This approach was first used by the City in 2010 when retail rates were uncapped and reanalyzed in 2014. The dedicated subaccount approach also provides maximum price transparency. The supply and transmission costs directly attributed to the City's accounts are applied to the City's subaccount, streamlining the billing process. Enel X currently serves as the City's energy procurement consultant ("Energy Consultant") to help manage the PJM subaccount, recommend purchasing strategies, and provide general energy supply contracting support.

The City is currently contracted with WGL Energy as its LSP for electricity. WGL was selected through a competitive process. As required by City Charter, the City's contract is for one year and annually renewable up to six times. The City's Municipal Energy Office is the primary LSP contract manager with support from Enel X. The City has been contracted with WGL for one year.

The current purchasing strategy executed through the PJM subaccount mitigates and stabilizes electric supply costs. All City accounts are enrolled in the subaccount by the LSP, energy is competitively procured for all metered consumption, and reported in the subaccount based on a combination of fixed rate wholesale block purchases and PJM hourly prices (at PECO zone) in effect during the reporting period. All other PJM charges (capacity, transmission, ancillary costs, etc.) associated with the accounts are passed through the LSP to the subaccount at cost. The LSP bills the accounts based on pre-determined budgeted rates developed by the Energy Consultant and approved by the City. Billing rates are adjusted periodically to true up billed vs. actual costs of the supply portfolio.

During the City's annual fiscal year (July to June) the City uses approximately 700,000 MWh. The City's subaccount holds all of the City's approximately 1,200 electric accounts. Presently, the City makes forward purchases of 5-20 MW blocks of energy (both as On-Peak, Off-Peak and Around the Clock) over a rolling three-year time horizon. All remaining supply costs and other charges associated with electricity such as capacity, transmission, and ancillary services charges are fully passed through to the City.

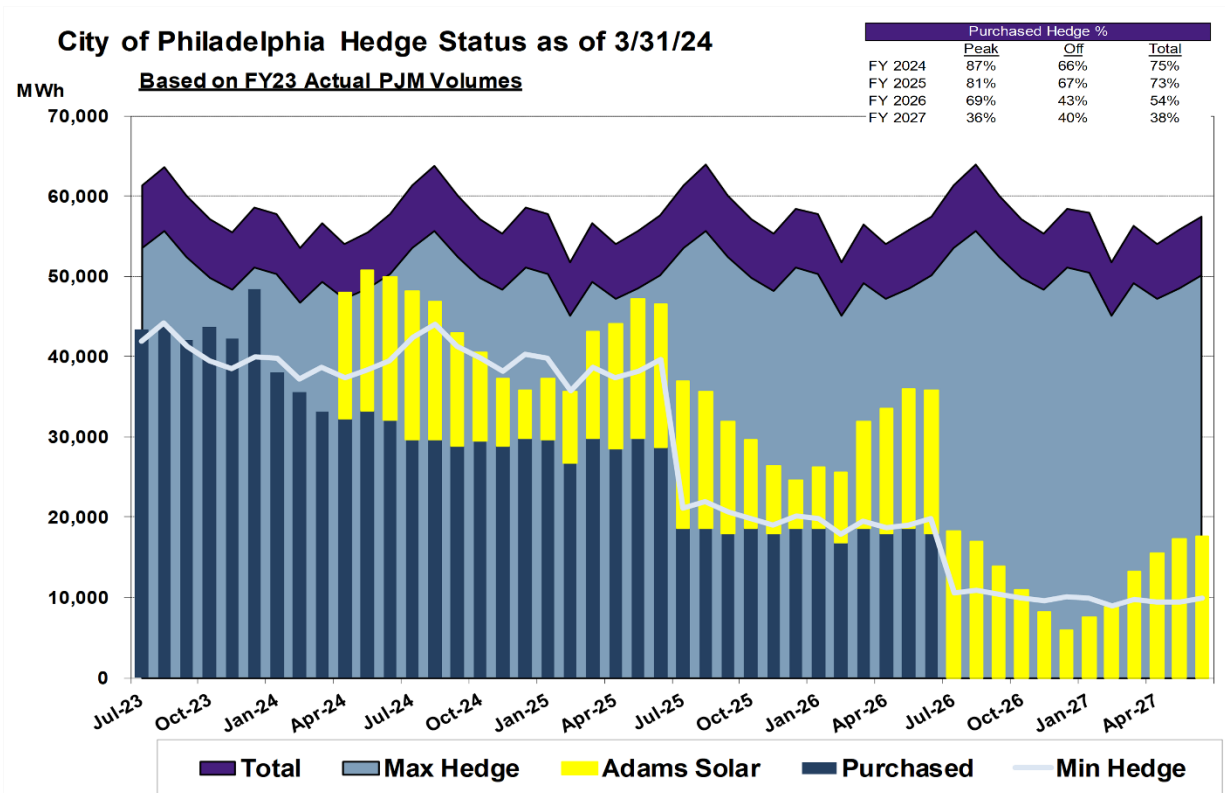


Figure 1. City of Philadelphia Hedge Status as of March 31, 2024 (Source: Enel X)

The following information describes the City’s hedge strategy (Figure 1) and has been included to provide general pricing guidance to proposers. The current strategy is for the City to build price stability by avoiding single point market exposure, i.e., making a fixed price commitment for 100% of energy requirements at a single point in time. This is accomplished through a dollar cost averaging mechanism in which fixed rate blocks are purchased for portions of consumption over time such that by six months prior to the beginning of a fiscal year the maximum desired level of price stability has been established for that period. The level of fixed price commitments will increase for each period as it draws closer to the full commitment date (six months prior to fiscal year). The City retains the flexibility to accelerate fixed price block purchases when market opportunities arise and defer block purchases when market prices are deemed unattractive or inflated. In general, this approach means that about 80 percent of the City’s electricity usage is locked in via future fixed rate block purchases ahead of any month.

1.3.2 Renewable Energy Obligations

The City has obligations to purchase renewable energy for compliance with the AEPS. Compliance RECs are presently purchased by WGL Energy through the City’s GATS account. In addition to compliance RECs, the City has historically made voluntary REC purchases and is interested in continuing to either purchase or retire voluntary RECs. The following charts outline the City’s Tier 1 and Solar REC requirements per Pennsylvania’s AEPS (Figure 2). Additional information regarding the City’s electricity demands can be found in Attachment B.

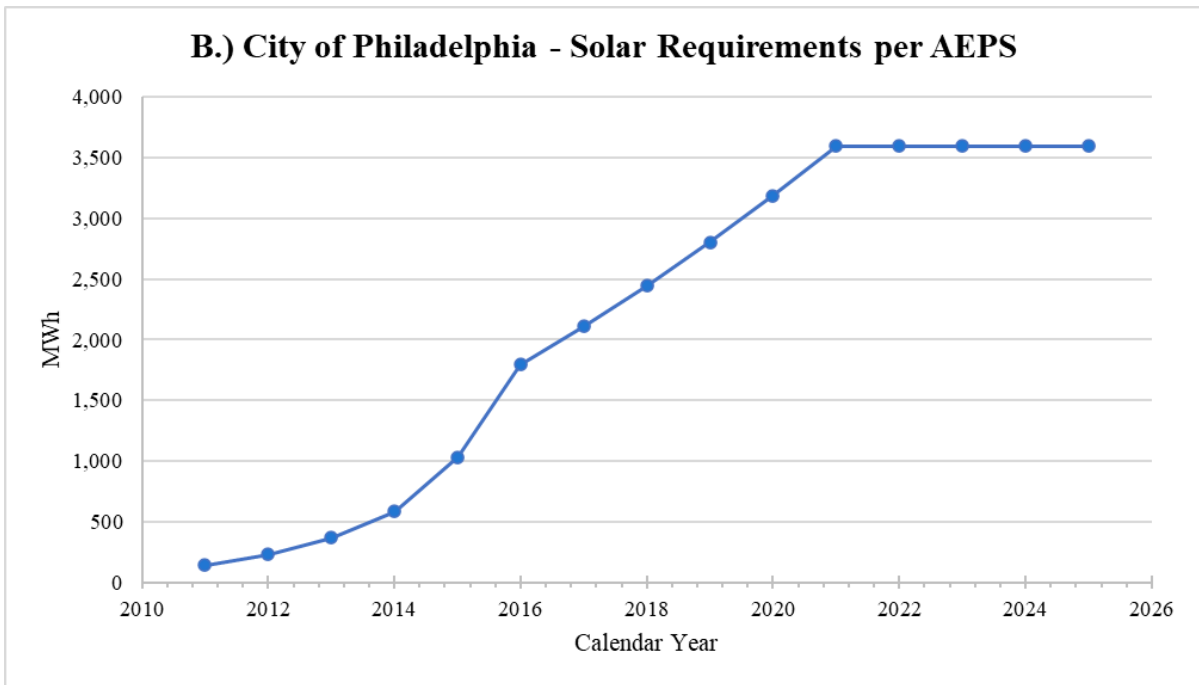
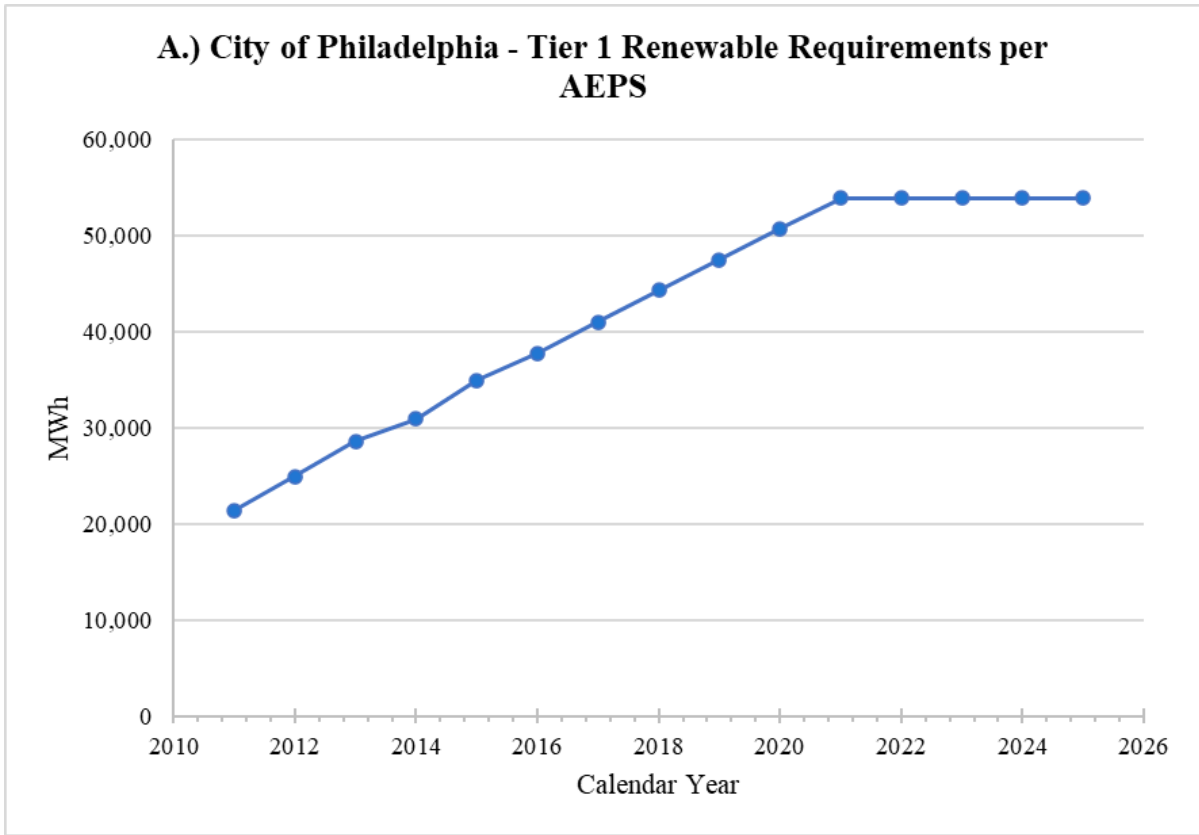


Figure 2. City of Philadelphia AEPS Requirements; A.) Tier 1 Renewable Requirements; B.) Solar Requirements

1.4 Defined Terms

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

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

“AEPS” means the State of Pennsylvania’s Alternative Energy Portfolio Standard requirements.

“City” means The City of Philadelphia.

“Contract” means the form of agreement between the successful Proposer and a designee of the Procurement Team. See Attachment A.

“Energy Consultant” means the City of Philadelphia’s contracted energy advisor who supports management of the PJM subaccount, recommends purchasing strategies, and provides general energy supply contracting support.

“EOP” means an Economic Opportunity Plan.

“Evaluation Committee” means the committee established by the Procurement Team to evaluate the Proposals submitted in response to this RFP.

“OEO” means the Office of Economic Opportunity.

“PEA” means the Philadelphia Energy Authority.

“Plant” means a renewable energy project installed by the successful Proposer.

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

“Proposal” means the documents submitted in a timely manner to this RFP.

“Proposer” or “Respondent” means a party that submits a proposal in response to this Request for Proposals.

“RFP” or “Request for Proposals” means this Request for Proposals issued by the Procurement Team for this Project to the qualified Respondents, including any addenda.

1.5 General Disclaimer

This RFP does not commit the Procurement Team to award a contract or create any obligation on the part of PEA and/or the City to enter into any contract or to undertake any financial responsibility referred to herein. The Procurement Team is not liable for any costs incurred by any Proposer prior to execution of any contract (e.g., in the generation or submission of Proposals, presentations given to the Procurement Team personnel or its designees, documentation provided to the Procurement Team personnel or its designees, production of marketing literature, or any other costs incurred while participating in this RFP process).

(End Section 1)

Section 2 – SCOPE OF WORK

2.1 Project Details

This Request for Proposals (RFP) seeks Proposers willing to supply the City of Philadelphia with renewable energy under a long-term power purchase agreement (PPA) from one or more facilities located in the PJM territory. There is a preference for a Plant(s) located as close to Philadelphia as possible. Additionally, the Procurement Team intends to acquire the RECs associated with the output and either: i) apply the RECs to the City's AEPS electricity purchasing requirements; ii) sell the RECs at market price; or iii) voluntarily retire the RECs in support of the City's sustainability goals at the option of the City. If RECs must be swapped, any RECs purchased in the swap must be Green-e® certifiable, ideally within Pennsylvania, and within 150 miles of Philadelphia. The Procurement Team will consider both new Plants and Plants that are currently operating, and is open to the submission of proposals that aggregate multiple projects to best meet the City's electricity needs. The Procurement Team will not own or manage the facility but will commit to a long-term power purchase agreement (PPA) for its output.

The City has a history of supporting renewable energy through an off-site PPA, voluntary REC purchases and City-owned onsite generation. The PPA contemplated by this RFP is intended to help the City reach its goal of powering municipal buildings with 100 percent renewable energy by 2030. Through a PPA between the PEA and renewable energy project developer Energix Renewables, the Adams Solar project was completed in February 2024 and provides the City with 25 percent of the current electricity needed for all municipal buildings.

The Procurement Team is interested in projects that reduce energy costs and further the City's broader sustainability goals. The Procurement Team would like to contract for up to 20 years. Specifically, the Procurement Team is interested in purchasing 140,000 to 280,000 MWh (20 to 40 percent of load) per Plant annually, and up to a total of 490,000 MWh (70 percent of load) of renewable energy and associated RECs annually. The Procurement Team will consider individual proposals for one or multiple plants, and multiple individual proposals allowing the City to procure up to 490,000 MWh of electricity annually. Ideally, commercial operation would start July 1, 2025, or soon thereafter, but the Procurement Team can be flexible as long as operation begins before 2030. Proposals should include details as to where the project is in the PJM interconnection queue. Preference will be given to projects that have at least executed a System Impact Study.

If the Plant is a partially developed project, the Proposer must indicate their position in the queue and an Economic Opportunity Plan ("EOP") (Attachment C-1) for the operations of the project must be provided. If the Plant is an undeveloped project, the Proposer must implement an EOP (Attachment C-1) for construction and operation by using diverse subcontractors and hiring of workers that ensure the employment of an appropriately diverse workforce. If the plant is already operational, the Proposer must share an EOP for the operations of the project as applicable (Attachment C-1). If the Proposer is a nonprofit organization, Attachment C-2 must be completed.

Additionally, the Procurement Team will consider Proposals that allow the PPA to be shared with local partners for any electricity generation over 490,000 MWh. Information on how projects can maximize co-benefits including reducing carbon pollution, creating local and clean energy jobs, or creating opportunities for minority and women owned business enterprises should be included with proposals. Entering into a long-term PPA with a Plant(s) in close proximity to Philadelphia would provide these co-benefits more directly to the Philadelphia region.

Under Pennsylvania law, the City cannot enter into a long-term contract without the use of an independent municipal authority like the PEA. PEA will enter into a contract with the successful

Proposer and, in turn, will enter into a separate inter-governmental agreement with the City allowing the electricity and RECs to be transferred to the City’s electricity supplier.

2.2 Mayor’s Project Objectives

In the first days of her administration, Mayor Cherrille L. Parker established a framework for the City’s work, structuring efforts around three key areas:

- Enhancing public safety.
- Increasing the quality of life and building vibrant, equitable, and thriving communities across the city.
- Driving inclusive growth and economic opportunity to build a thriving economy that benefits everyone and is an attractive and equitable place to do business

2.3 Procurement Team Goals

The Procurement Team has specific goals in issuing this solicitation for the development of a renewable energy facility:

- 1) To demonstrate the City’s commitment to clean and renewable energy by taking steps that will result in cleaner air, lower greenhouse gas emissions, and sustainable energy sources for the citizens of Philadelphia and fellow Pennsylvanians.
- 2) To provide the City with long-term price stability for a material portion of its electricity supply portfolio that will improve cost efficiency for its operations and increase budgetary certainty for its long-term planning efforts. This may be accomplished by reduced overall costs and/or reduced risk of escalation of electric costs to the City.
- 3) To source the renewable energy from a Plant within PJM and as close as possible to Philadelphia’s city limits so as to encourage local economic development including employment opportunities from disadvantaged business enterprises and a diverse workforce.
- 4) Enhance public awareness of the PEA’s and the City’s efforts to pursue sustainable and progressive technologies.
- 5) To help fulfill the City’s AEPS or future compliance requirements.
- 6) To attain 100 percent renewable energy for municipal buildings as outlined in the City’s Municipal Energy Master Plan.

2.4 Schedule

A general outline of the procurement schedule has been provided below. The Procurement Team will make every effort to hold this schedule:

Activity	Date & Time
RFP Posted	April 30, 2024
Optional Pre-proposal meeting	May 24, 2024 at 3pm via Zoom Registration: https://bit.ly/phila-ppa-reg
Deadline to submit questions via email to energy@phila.gov	June 7, 2024 by 5pm

Answers to questions posted PEA's RFP website	June 21, 2024 by 5pm
Proposal must be received by energy@phila.gov	July 8, 2024 by 5pm
Oral Interview – Location TBA	Week of August 5, 2024
Selection of Proposer(s)	August/September 2024
Contract Negotiations	Late Fall/Winter 2024
Project approval and contract signing	Winter 2024/Spring 2025
Commercial Operation Date	No sooner than July 1, 2025, but before 2030 ²

(End Section 2)

² For existing facilities, the contract start date will be no sooner than July 1, 2025

Section 3 – PROCUREMENT PROCESS

3.1 Project Contact and Communications

3.1.1 Contacts

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

Dominic McGraw
Deputy Director, Energy Services & Operations – Office of Sustainability

Dominic.McGraw@phila.gov

Cc: energy@phila.gov & RFC.RFP@philaenergy.org

The City is authorized by its Home Rule Charter to enter into long term service agreements with authorities such as PEA. Authorities have assisted the City for more than 30 years in arranging for long-term contracts for the provision of equipment and services. PEA’s charter authorizes PEA’s participation in projects such as this.

3.1.2 Communications and Prohibited Contacts

All communications with the Project Contact regarding this RFP 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 Proposer, or any of their affiliated companies, is prohibited from contacting any employee or official of the Procurement Team or any attorney or consultant of the Procurement Team, on any matter having to do with this procurement.

No oral communication or statement by the Project Contact or other representative of the Procurement Team may in any way modify this RFP 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 Procurement Team. This RFP or other aspect of the procurement process may be modified only through the issuance by the Procurement Team of a written addendum.

All communications and clarifications asked regarding this RFP may be shared by the Procurement Team with all firms qualified to receive this RFP.

3.2 Clarifications and Revisions

3.2.1 Question and Answers

All questions concerning this RFP must be submitted in writing via email to the Project Contact at energy@phila.gov no later than June 7, 2024 at 5pm. The Procurement Team will provide written responses to the submitted questions no later than by the end of work day on June 21, 2024. These responses will be posted on the Philadelphia Energy Authority’s website (philaenergy.org). Oral responses by any Procurement Team employee or agent of the Procurement Team are not binding and shall not in any way be considered as a commitment by the Procurement Team.

3.2.2 Addenda to RFP

If the Procurement Team deems it necessary to revise any part of this RFP before the proposal response date, the Procurement Team will post changes on the PEA's website (philaenergy.org). Proposers should check back frequently for new and updated information.

3.3 Proposal Submission

Each Proposer shall submit its Proposal in accordance with Section 4.

3.4 Evaluation

3.4.1 Evaluation Committee

Proposals will be evaluated in accordance with the criteria set forth in Section 4.4 as well as any other factors considered relevant to each Proposer's ability to deliver the Project. The Evaluation Committee, consisting of Procurement Team representatives, including representatives of the Procurement Team's consultants, will evaluate Proposals.

To assist with Project Evaluation the Procurement Team may hire a consultant (or multiple consultants) to assist in evaluating project cost proposals, evaluating risk associated with project development, assisting with contract negotiations or other support the Procurement Team in other services as appropriate to thoroughly evaluate Proposals.

3.4.2 Oral Interview

Proposers may be selected to participate in an oral interview with the Evaluation Committee. The purpose of the oral interview is to give the Evaluation Committee an opportunity to ask clarifying questions about the Proposal, including technical details pertaining to the scope of work prior to the final evaluation as described in Section 4.4.

3.5 Procurement Phases

Upon completion of the RFP phase, contract negotiations may be initiated with successful proposer(s) if any, subject to Section 4.3.4. As determined in the sole discretion of the Procurement Team, such negotiations may be conducted with one or more Proposer simultaneously or with one Proposer initially. The Procurement Team may initiate negotiations with one or more other proposers at a later date if it meets Procurement Team objectives. Proposers should indicate their willingness to enter later negotiations and any time limit on such willingness.

3.6 Miscellaneous

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

3.6.1 Non-Exclusivity in Vendor Selection

Entities may participate as Project Team Members in multiple Proposals with the following exceptions:

- a. Entity is a Proposer
- b. Entity holds any direct equity interest in a Proposer

3.6.2 Public Disclosure and Confidential Information

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

“Confidential Information Notice

The information on pages_____of this Proposal, identified by a bold vertical line along the right hand margin, contains information that is excluded from public disclosure under applicable law. Proposer requests that such marked information be utilized by the Procurement Team only for evaluation of this Proposal, but Proposer understands that the Procurement Team 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: [Proposer to provide basis]”

Notwithstanding any such notice, however, the Procurement Team may disclose such marked information to individuals participating in the review or evaluation of Proposals, including members of the Evaluation Committee, other Procurement Team employees, and advisors, attorneys, and consultants. City and PEA determination on disclosure is final.

3.6.3 Costs

Any and all costs incurred by any Proposer, or other party in connection with this RFP or other aspect of the procurement process shall be at such party’s expense and risk. The Procurement Team accepts no liability and will not be responsible under any circumstance for any cost or expense incurred to respond to this RFP or otherwise participate in the procurement process.

3.6.4 Procurement Team Rights

The Procurement Team 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 RFP 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 Proposal, or other submission, that is not material;
- (c) to require one or more Proposers to supplement or clarify its Proposal or to provide additional information after the submission of Proposals;
- (d) to take any action affecting the RFP, or the procurement process that would be in the best interests of the PEA or City;
- (e) to conduct investigations and make inquiries concerning any aspect of any Proposal;

- (f) to reject any or all Proposals;
- (g) to advance multiple proposals toward a Contract;
- (h) to reject a Proposer or firm that has been delinquent or unfaithful in the performance of any contract with or obligation to the PEA or City is financially or technically incapable, or is otherwise not responsible;
- (i) to supplement or amend this RFP; and/or
- (j) to make judgments about the contents of any Proposal with respect to the requirements and criteria set forth in this RFP.

(End Section 3)

Section 4 – SUBMITTAL REQUIREMENTS

4.1 General Instructions

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

4.2 Submission Deadline

Proposals must be received no later than 5:00 P.M. on July 8, 2024. Proposals should be emailed to energy@phila.gov and be no larger than 25MB to ensure delivery. Proposals over 25MB can be sent via multiple emails. Only electronic proposals will be accepted.

4.3 Required Content

Proposers are encouraged to be concise and to respond as directly as possible to the requirements set forth in this RFP.

The requirements set forth in this Section represent the minimum content required and, unless expressly stated otherwise, are not intended to limit substantive content. It is the Proposer’s responsibility to include information in the Proposal that meets the minimum content requirements and any additional information that further demonstrates relevant experience and capabilities. The proposal should address each goal and describe how the project(s) will assist the Procurement Team to achieve the goals, or provide a viable alternative.

Proposers must include:

4.3.1 Cover Letter

The cover letter shall be signed by an authorized representative of the company(s). The letter shall indicate that the Proposal shall be valid for a period of *at least* 180 days. The letter shall also include a brief narrative description of the company and its service offerings. It shall also identify the contact person for any future communication including clarifications of its Proposal, contractual negotiations, or administration.

4.3.2 Introduction and Executive Summary

Summarize the major factors or features of the Proposal, including any conclusions, assumptions, and generalized recommendations the Proposer has made. It should be designed specifically for use by individuals that may not have a technical background. It should provide an overview of the Plant(s), pricing proposal, the project timeline, and include a summary of the firm’s experience with similar projects, and have a maximum length of four (4) pages.

4.3.3 Technical Submittal

The Proposer will submit a summary of proposed plant(s) and development status, organization and team characteristics, and financial and business experience as detailed in Attachment I, Technical Submittal.

4.3.4 Notice to Respondents to State Requested Exceptions to Contract Terms in Proposal

The successful Proposer must enter into an agreement with PEA in substantially the form attached as Attachment A.

Proposers must state clearly and conspicuously any modifications, waivers, objections or exceptions they seek to Attachment A in this section of the proposal entitled “Requested Exceptions to Contract Terms.” For each Requested Exception, the Proposer must identify the pertinent Contract Term by caption and section number and state the reasons for the request. Requested Exceptions to the City’s Contract Terms will be approved only when the City determines in its sole discretion that a Requested Exception makes business sense, does not pose unacceptable risk to the City, and is in the best interest of the City. By submitting its proposal, the Proposer agrees to accept all Contract Terms to which it does not individually list and justify a Requested Exception in its proposal.

The Procurement Team may take into account Requested Exceptions in making its decisions on the award of any contract.

If, after the Procurement Team issues its Notice of Intent to Contract to a Respondent, the Respondent seeks Requested Exceptions to the Contract that were not stated in its proposal, the City may, in its sole discretion, deny the Requested Exceptions without consideration or reject the proposal.

The Procurement Team reserves the right, in its sole discretion, (i) to waive any failure to comply with the terms of this Notice to Respondents if it determines it is in the best interest of the City to do so; and (ii) to require or negotiate terms and conditions different from and/or additional to the Contract in any final contract resulting from this contract opportunity, without notice to other Respondents and without affording other Respondents any opportunity to revise their proposals based on such different or additional terms.

4.3.5 Additional Proposal Submission Requirements

Proposals must also include the following forms and certifications:

(a) Office of Economic Opportunity – Participation Commitment/ Diversity Reports

Each Proposer is subject to the provisions of Mayoral Executive Order 01-21, the City’s Antidiscrimination Policy, and is required to exercise its “Best and Good Faith Efforts” in response to the ranges specified in the Attachment C-1 portion of Attachment C, included with this RFP for participation by Minority Business Enterprises (“MBE”), Woman Business Enterprises (“WBE”) and Disabled Business Enterprises (“DSBE”) (collectively, “M/W/DSBE”) as those terms are defined in Executive Order 01-21. Forms, instructions and special contract provisions for the Antidiscrimination Policy explain these requirements in more detail and are included in Attachment C-1 to this RFP. Proposers are required to complete and return with their proposals the “Solicitation for Participation and Commitment” form which is included in Attachment C-1. The City encourages proposals from M/W/DSBE Proposers. M/W/DSBE Proposers, like all other Proposers, are required to submit a proposal that is responsive to the Antidiscrimination Policy. The M/W/DSBE Proposer will receive credit towards the participation range for its certification category (i.e., MBE range, WBE range or DSBE range).

(b) Philadelphia Tax and Regulatory Status and Clearance Statement

The Proposer must submit a completed Philadelphia Tax and Regulatory Status and Clearance Statement in the form of Attachment D with its response to this RFP.

It is the policy of the City of Philadelphia to ensure that each contractor and subcontractor has all required licenses and permits and is current with respect to the payment of City taxes or other indebtedness owed to the City (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), and is not in violation of other regulatory provisions contained in the Philadelphia Code. To assist the City, through its Department of Revenue and Department of Licenses and Inspections, in determining this status, each Proposer is required to submit with its proposal the certification statement entitled City of Philadelphia Tax and Regulatory Status and Clearance Statement which is attached to this RFP as Attachment D. Each Proposer is also required to submit with its proposal a current Tax Clearance statement to be obtained at <https://tax-services.phila.gov/?Link=TaxClearance/>.

If the Proposer is not in compliance with the City's tax and regulatory codes, an opportunity will be provided to enter into satisfactory arrangements with the City. If satisfactory arrangements cannot be made, Proposers will not be eligible for award of the contract contemplated by this RFP.

The selected Proposer will also be required to assist the City in obtaining the above information from its proposed subcontractors (if any). If a proposed subcontractor is not in compliance with City Codes and fails to enter into satisfactory arrangements with the City, the non-compliant subcontractor will be ineligible to participate in the contract contemplated by this RFP and the selected Proposer may find it necessary to replace the non-compliant subcontractor with a compliant subcontractor. Proposers are advised to take these City policies into consideration when entering into their contractual relationships with proposed subcontractors.

If a Proposer or a proposed subcontractor is not currently in compliance with the City's tax and regulatory codes, please contact the Revenue Department to make arrangements to come into compliance at (215) 686-6565 or email tax.clearance@phila.gov (or please use the general contact information at 215-686-6600 or revenue@phila.gov).

Proposers need not have a City of Philadelphia Business Income and Receipts Tax Account Number (formerly Business Privilege Tax Account Number) and Commercial Activity License Number (formerly Business Privilege License Number) to respond to this RFP, but will, in most circumstances, be required to obtain one or both if selected for award of the contract contemplated by the RFP³. Applications for a Business Income and Receipts Tax Account Number may be made online by visiting the Philadelphia Tax Center at

³ Proposers that have a Business Privilege Tax Number should use that number, as it is automatically their Commercial Activity License Number, and need not apply for a new Commercial Activity License Number. Similarly, Proposers with a Business Privilege Tax Account Number should use that number as their Business Income and Receipts Tax Account Number.

<https://www.phila.gov/services/payments-assistance-taxes/taxes/business-taxes/business-taxes-by-type/business-income-receipts-tax-birt/> and clicking on “Get an Account or Pay Now.” Applications for a Commercial Activity License⁴ may be also be completed online by visiting <https://www.phila.gov/services/permits-violations-licenses/get-a-license/business-licenses/activity/get-a-commercial-activity-license/> and following the instructions listed on the webpage. If you have specific questions, call the Department of Revenue at 215-686-6600 for questions related to City of Philadelphia Business Income and Receipts Tax Account Number or the Department of Licenses and Inspections through 215-686-8686 for questions related to the Commercial Activity License.

(c) Transparency in Business Demographic Data Disclosures

In accordance with Philadelphia Code Section 17-1402(1)(b)(.4), if the resulting contract is valued at or over \$100,000, the Proposer, if awarded, agrees to provide the following information before conformance of the contract:

1. Proposer’s and each anticipated subcontractor’s prior years of experience performing on City contracts in any capacity during the five calendar years prior to the date the application must be filed;
2. Demographic Data (race, ethnicity, gender identity, job title, salary range, length of employment, Philadelphia residence, and other categories that may be established by regulation) on all individuals employed by the Proposer and each anticipated subcontractor as of the Report Date (December 31 of the year preceding the date the application is filed); and
3. Demographic Data on all individuals serving as board members of the Proposer on the Report Date.

Such disclosures shall be made on the online form provided by the City at: phila.gov/tibform. The resulting contract will include a representation and covenant by the successful Proposer that these disclosures contain no material misstatements or omissions. Under Section 17-1402(1)(f) of the Code, material misstatements or omissions of these disclosures under two or more contracts shall constitute a breach of such representation and covenant, rendering the contract voidable at the City’s option, and shall subject the contractor to liquidated damages to the City in the amount of ten percent (10%) of the total value of the payments to be made to the contractor under the contract.

In addition, Proposer understands that false certification or representation is subject to prosecution under Title 18 Pa.C.S.A. Section 4904.

(d) Compliance with Philadelphia 21st Century Minimum Wage and Benefits Ordinance

Proposers are advised that any contract awarded pursuant to this RFP is a “Service

⁴ Commercial Activity Licenses are not typically required for non-profit organizations; however, Business Income and Receipts Tax Account Numbers typically are required.

Contract,” and the successful Proposer under such contract is a “Service Contractor,” as those terms are defined in Chapter 17-1300 of the Philadelphia Code (“Philadelphia 21st Century Minimum Wage and Benefits Standard Ordinance”). Any Subcontractor (as defined in the Project Contract attached as Attachment A to this RFP), and any sub-subcontractor at any tier proposed to perform services sought by this RFP, is also a “Service Contractor” for purposes of Chapter 17-1300. If any such Service Contractor (i.e. Proposer and subcontractors at any tier) is also an “Employer,” as that term is defined in Section 17-1302 (more than five employees), and is among the Employers listed in Section 17-1303 of the Code, then during the term of any resulting contract, it is subject to the minimum wage and benefits provisions set forth in Chapter 17-1300 unless it is granted a waiver or partial waiver under Section 17-1304.

Absent a waiver, these minimum wage and benefits provisions, which include a minimum hourly wage that is adjusted annually based on the CPI, health care and sick leave benefits, are mandatory and must be provided to Proposer’s employees or the employees of any subcontractor at any tier who perform services related to the City contract resulting from this RFP. Proposers and any subcontractors at any tier proposed by Proposers are strongly encouraged to consult Chapter 17-1300 of the Philadelphia Code⁵, the General Provisions, and the About/Minimum Wage and Equal Benefits Ordinances Impacting Some City Contractors links on the eContract Philly home page for further details concerning the applicability of this Chapter to, and obligations it imposes on certain City contractors and subcontractors at any tier.

In addition to the enforcement provisions contained in Chapter 17-1300, the successful Proposer’s failure or the failure of any subcontractor at any tier to comply (absent an approved waiver) with the provisions of Chapter 17-1300, or any discrimination or retaliation by the successful Proposer or Proposer’s subcontractors at any tier against any of their employees on account of having claimed a violation of Chapter 17-1300, shall be a material breach of any Service Contract resulting from this RFP. By submitting a proposal in response to this RFP, Proposers acknowledge that they understand, and will comply with the requirements of Chapter 17-1300, and will require the compliance of their subcontractors at any tier if awarded a contract pursuant to this RFP. Proposers further acknowledge that they will notify any subcontractors at any tier proposed to perform services related to this RFP of the requirements of Chapter 17-1300.

(e) Certification of Compliance with Equal Benefits Ordinance

If this RFP is a solicitation for a “Service Contract” as that term is defined in Philadelphia Code Section 17-1901(4) (“A contract for the furnishing of services to or for the City, except where services are incidental to the delivery of goods. The term does not include any contract with a governmental agency.”), and will result in a Service Contract in an amount in excess of \$250,000, pursuant to Chapter 17-1900 of the Philadelphia Code (see footnote 3 for online access to the Philadelphia Code), the successful Proposer shall, for any of its employees who

⁵ A link to the Philadelphia Code is available on the City’s official website, www.phila.gov. Click on “City Code and Charter,” located to the bottom right of the Welcome page under the box “Transparency.”

reside in the City, or any of its employees who are non-residents subject to City wage tax under Philadelphia Code Section 19-1502(1)(b), be required to extend the same employment benefits the successful Proposer extends to spouses of its employees to life partners of such employees, absent a waiver by the City under Section 17-1904. By submission of their Proposals in response to this RFP, all Proposers so acknowledge and certify that, if awarded a Service Contract pursuant to this RFP, they will comply with the provisions of Chapter 17-1900 of the Philadelphia Code and will notify their employees of the employment benefits available to life partners pursuant to Chapter 17-1900.

Following the award of a Service Contract subject to Chapter 17-1900 and prior to execution of the Service Contract by the City, the successful Proposer shall certify that its employees have received the required notification of the employment benefits available to life partners and that such employment benefits will actually be available, or that the successful Proposer does not provide employment benefits to the spouses of married employees. The successful Proposer's failure to comply with the provisions of Chapter 17-1900 or any discrimination or retaliation by the successful Proposer against any employee on account of having claimed a violation of Chapter 17-1900 shall be a material breach of any Service Contract resulting from this RFP. Further information concerning the applicability of the Equal Benefits Ordinance, and the obligations it imposes on certain City contractors is contained in the General Provisions attached to this RFP and the About/Minimum Wage and Equal Benefits Ordinances Impacting Some City Contractors links on the eContract Philly home page.

(f) Local Business Entity or Local Impact Certification (Optional, if applicable)

Pursuant to Mayoral Executive Order No. 04 -12, the City Department will, in the selection of the successful Proposer, consider whether that Proposer has certified that either (1) Proposer meets the criteria stated in Section 17-109(3)(b) of the Philadelphia Code to qualify as a Local Business Entity or (2) in the performance of the resulting contract, Proposer will employ City residents, or perform the work in the City. Any Proposer who wishes to demonstrate its eligibility for this consideration shall do so by completing, executing and attaching to its application a completed Local Business Entity or Local Impact Certification, the form of which is attached to this RFP as Attachment E. The Proposer shall then also include in a separate section of the application, labeled "Local Business Entity or Local Impact Certification," a statement that the Proposer believes it has met the Local Business Entity or Local Impact criteria "as set forth in the attached Local Business Entity or Local Impact Certification." The City Department shall deem it a positive factor where the Proposer has, in the City's sole discretion, met the Local Business Entity or Local Impact criteria.

(g) LGBTQ Proposer Opportunity Data

As part of the City's commitment to diversity, equity and inclusion in all aspects of City procurement, the City is collecting data to identify the number of companies beneficially owned and controlled by Lesbian, Gay, Bisexual, Transgender and Queer persons who wish to do business with the City (collectively, "LGBTQ businesses"). The data will be used to identify the number of LGBTQ businesses currently doing business with the City. It will also assist in

efforts to include LGBTQ certified businesses into the City's vendor database. Response to this form, Attachment F, is voluntary.

(h) Mandatory Online Application Requirements

You must apply online in order to be eligible for award of the opportunity described in this RFP; proposals and any other related documents prepared in response to this RFP will not be considered unless they are emailed to energy@phila.gov by the due date. The posting of this RFP on PEA's website is also referred to as a Notice of Contracting Opportunity.

In the case of multiple business entities that if awarded a contract have formed, or intend to form a joint venture to perform the contract, a single business entity may file an application on behalf of all such business entities so long as (i) the filing business entity is or will be a member of the joint venture, (ii) the application is made in the name of the existing or proposed joint venture, (iii) documentation is submitted with the application identifying all business entities that comprise, or will comprise, the joint venture, and demonstrating a binding agreement among those business entities to perform the contract as the joint venture identified in the application (for a joint venture that has not yet been formed, documentation signed by each identified business entity evidencing a commitment to form the joint venture if awarded the contract is sufficient), and (iv) the non-filing business entities are eligible for award of a City contract and make the disclosures required by Chapter 17-1400 of the Philadelphia Code (described in greater detail below) within fourteen (14) days after the joint venture receives notice that it has been awarded the contract.

Proposers who have failed to send complete applications to energy@phila.gov – including the Campaign Contribution Disclosure Forms (Attachment G) – prior to the closing date and time will not be considered for the contract.

You are encouraged to send your application as early as possible. Please prepare and plan accordingly to ensure a timely submission. It is your responsibility to make sure that you have signed and emailed your complete application to energy@phila.gov for this RFP.

You are advised that any individual who signs and sends an application must be an authorized signatory of the Proposer, authorized to both bind the Proposer to its proposal and to make the disclosures required to complete the process. Therefore, signatories must be the Proposer stated or are employees or officers of the Proposer duly authorized to execute the application and make disclosures on the Proposer's behalf; and they represent and covenant that, to the best of their knowledge after appropriate inquiry, all of the information and disclosures provided are true and contain no material misstatement or omissions.

(i) Campaign Contribution Disclosure

Pursuant to Chapter 17-1400 of the Philadelphia Code, Proposers are required to disclose their campaign contributions to political candidates and incumbents who are running for, or currently serving in, a local (Philadelphia) or statewide elected office anywhere within the Commonwealth of Pennsylvania (federal campaign contributions are not included); any consultants used in responding to the RFP and

contributions those consultants have made; prospective subcontractors; and whether Proposer or any representative of Proposer has received any requests for money or other items of value or advice on particular firms to satisfy minority-, woman- or disabled-owned business participation goals from City employees. Proposals must include a completed Campaign Contribution Disclosure Form, Attachment G.

4.4 Selection Criteria

Selection will be based on the following criteria, reviewed in an evaluation process conducted by the Procurement Team and its expert advisors. These criteria are listed in no particular order.

- (a) Strength of the technical submittal of the Proposal
- (b) Strength of the financial offer in the Proposal
- (c) Financial strength of Proposer
- (d) Prior experience with projects and demonstration of completed similar projects
- (e) Industry position, longevity, and recognition
- (d) Proposal's ability to meet the Project Objectives as outlined in section 2.2
- (e) Customer references
- (f) Overall project team credentials and staffing
- (g) Responsiveness to Philadelphia antidiscrimination policy and Economic Opportunity Plan
- (h) Best value based on review of cost proposal for proposed solution and strengths, weaknesses, opportunities, and threats
- (i) Local/regional presence
- (j) Proximity of the Plant(s) to Philadelphia
- (k) Completion of System Impact Study
- (l) Objections taken to the Form of Contract

4.5 No Rights to Selection

The Procurement Team, in its sole discretion, may reject all Proposals and shall reject any Proposal that, in the Procurement Team's sole discretion, does not conform in all material respects to the requirements of this RFP. The Procurement Team may also elect to award a Contract to more than one Proposer, subject to successful contract negotiations with each Proposer.

(End Section 4)

Section 5 – LEGAL TERMS AND CONDITIONS

5.1 Responsibility

Proposer shall assume all responsibility and obligation for the acts and omissions of its principals, members, directors, officers, employees, agents, representatives, subcontractors and consultants, together with all other firms, agencies or other persons assisting with the planning, design, construction or operation of the ECMs.

5.2 Governing Law

The terms and provisions of this RFP and any agreements related hereto shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, and any and all litigation, proceedings, claims or actions commenced in connection with this RFP or any agreements related hereto shall be instituted in the appropriate courts in the Commonwealth of Pennsylvania.

5.3 Assignment

The successful Proposer may not sell, assign, transfer or convey any rights or agreements associated with its Proposal, in whole or in part, without the prior written consent of the Procurement Team.

5.4 Promotion

Unless specifically authorized in writing by the City and PEA, Proposer will have no right to use, and shall not use, the name of the City or PEA (a) in any advertising, publicity, promotion; nor (b) to express or to imply an endorsement of the Proposer's products or services.

5.5 Indemnification

Proposer agrees to hold harmless and indemnify the City and PEA, their officers, employees, agents, consultants and representatives, individually and collectively (for purposes of this section, the "Indemnified Parties"), from and against, and shall assume all liability for, any and all losses, expenses, demands, claims or damages of any kind whatsoever (including loss of use), including losses, expenses, or damages sustained by the Indemnified Parties, arising out of, related to, or in connection with the Proposer's preparation and submission of a Response and any actions Proposer takes in connection therewith, including, but not limited to, the actions of the Proposer's principals, members, directors, officers, employees, contractors, consultants, representatives and agents, and shall defend any suit or action brought against the Indemnified Parties, based on any such alleged injury (including death) or damage (including loss of use), and shall pay all damages, judgments, costs, and expenses, including attorneys' fees in connection with said demands and claims resulting therefrom.