



CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

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ADDENDUM NOTICE NO. 4

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY (CAEATFA)

REQUEST FOR PROPOSAL – Secondary CONTRACT NO. CAEATFA08-16 Contractor Management for the Residential Energy Efficiency Loan (REEL) Assistance Program

May 15, 2017

The following information is provided in response to questions received by CAEATFA regarding RFP Number 08-16, as shown below:

Responses to Questions:

Questions Regarding the Solicitation, How to Turn in Proposals, or Requirements/Qualifications

- 1. Section E.3., of the RFP states that "DVBE Incentive participation is optional and at the discretion of the proposing firm" (page 22).

However, Attachment 2 states: "I have read and understand the DVBE Participation requirements and have included documentation demonstrating that I have met the participation goals of 3% or more."

Can you provide guidance on which of these is correct? Assuming DVBE participation is optional, will you be amending Attachment 2?

Answer:

Both Section E.3. of the RFP, as well as Item B of Attachment 2 are correct. Item B of Attachment 2 is intended to remind proposers at the time of completing final certifications that the DVBE Incentive is an option, and, if they qualify for that incentive, it is designed as a reminder to include necessary documentation. If you are not planning to participate in the DVBE Incentive, you may disregard Item B of Attachment 2, as it does not apply to your proposal.

- 2. Section D.2.d.iv. states "Complete Attachment 3 Key Personnel and Experience, including partners and associates who will be directly involved in providing the services required under the contemplated Contract. Provide a brief description of the background and experience of each individual, including years and type of experience with programs that utilize a contractor manager, if any, and similar types of programs" (p. 15). Should proposers include Attachment 3 with the other attachments at the end of the proposal, or in the Personnel Experience and Qualification section?

Answer:

Please provide narrative description of Key Personnel and Experience in the body of the proposal, and Attachment 3 with the other attachments at the end of the proposal.

3. Section D.2.d.i. of the RFP asks proposers to provide, for each staff member, “the percentage of total firm effort under this contract that shall be provided by each individual” (page 15). Additionally, in section D.2.d.iii., proposers are asked for “percentage of each individual's time that will be dedicated to provision of contractor recruitment, training, enrollment, support, and reporting tasks” (page 15). Finally, Attachment 3 asks for “Percent of Effort %” for each key personnel.

Are Sections D.2.d.i, D.2.d.iii, and the “Percent of Effort %” requested in Attachment 3 the same thing, based on 100%, which represents the entire team’s effort?

If yes, does including this information in the Attachment 3s suffice or does it also need to be shown under the Personnel Experience and Qualification Section as well?

Answer:

Section D.2.d.i. and Attachment 3 “Percent of Effort %” refer to the same number – the percentage out of 100 (where 100% is the total team effort for all contractual obligations) that each member of the key personnel will be completing.

Section D.2.d.iii. refers specifically to “percentage of each individual's time that will be dedicated to provision of contractor recruitment, training, enrollment, support, and reporting tasks” (p. 15). This percentage does not include all of the Contractor Manager’s obligations under the Contract (only those tasks delineated in the excerpt from section D.2.d.iii.), and is a different number than Section D.2.d.i. and Attachment 3 ask for.

Please provide the information requested in both the body of your proposal, as well as any relevant Attachment(s).

4. Should an electronic copy of the RFP response be sent in addition to the hard copies?

Answer:

It is not necessary to send a copy of your proposal in electronically, as only physical copies – that are received by the due date/time – can be considered for award.

5. Are subcontractors required to have the same minimum qualifications as the primary?

Answer:

No, subcontractors do not have to meet the same minimum qualifications as the primary contractor. However, subcontractors must be licensed to do business in the State of California and have all relevant licenses, permits, and/or certifications necessary to perform assigned tasks.

6. It is the opinion of CAEATFA that the following two questions submitted by interested parties are answered with the same statement:

- a. Given that current budget approval ends on 06/30/17, is it anticipated that funding will not change from the proposed outline of \$900,000 for up to 3 years as currently written?
- b. The contract term is described as two years with potential for a one year extension. However, page 3 also says the program launched in July 2016 and is expected to run for two years from the first loan enrollment, meaning it would end in June 2018. Does that mean this contract could end after just one year?

Answer:

CAEATFA has received budget approvals that will extend its budget authority beyond the 06/30/2017 date and enable it to fully commit to the not-to-exceed \$1,500,000.00 contract value as currently written. If activity and corresponding costs exceed expectations, or if ongoing services are necessary, CAEATFA will re-issue an RFP for a new contract.

CAEATFA is prepared to enter a two-year Agreement, with a potential one-year extension, available at the discretion of CAEATFA. Regarding the term of the REEL Program and other pilots, the CPUC recently authorized the pilots to run for at least two years (through July 2018) from first loan enrollment, and through the evaluation period (unknown period of time). This will provide continuous operation of the REEL Program while the CPUC considers the results of the evaluation, and ultimately decides whether REEL will shift from a "pilot" to a "regular" program. If the CPUC decides not to move forward with the REEL Program, the Contractor Manager will still be contractually obligated to complete all required inspections, and fulfill reporting duties as outlined in the Scope of Work.

7. The Cost Proposal Worksheet includes a place to provide the estimated number of transactions to be performed annually. Is there a standard transaction volume that all respondents should use for budget estimating, or should each respondent provide their own estimate for annual transaction volume?

Answer:

Please refer to the revised Cost Proposal Worksheet (Attachment 5) scenario language in Addendum No. 3 to RFP CAEATFA08-16 for information regarding transaction volume.

8. Is the Cost Proposal Worksheet intended to capture ALL, annual program costs of the Contractor, or can it be supplemented? [Attachment 5.] For example, if IT work was required on the part of the Contractor to integrate required information the Contractor is gathering with the CHEEF on-demand Internet system, where would that be included?

Answer:

The Cost Proposal Worksheet is ultimately intended to serve as the fee schedule under the Contract and therefore should capture ALL potential costs, methods, and approaches for payment necessary for the Contractor Manager to complete the scope of work. Monetary value will not be added to the Contract once it is approved by DGS.

The Contractor Manager is expected to identify the most cost-effective ways to spring-board and develop a contractor system for the REEL program (between hourly and transaction costs, and administrative costs). Note that the current CAEATFA system for receiving, storing, and providing information about contractors is based on e-mail exchange of information and the Contractor Manager is expected to identify its own systems to ensure success. If the Contractor Manager anticipates it will have a need to build an on-demand Internet system, the anticipated payment approach should be included in the body of the proposal and under Administrative Costs in Attachment 5, and this can later be further defined in a task order as described in Section B.7. of the RFP.

Questions Regarding Personnel/Certification Requirements

9. What role do you envision for a Professional Engineer within the RFP work scope?

Answer:

The RFP requires at least one of three options for technical staff in Section C, Minimum Qualifications (page 13) including, optionally, a licensed Professional Engineer. Any of these three options for technical staff will support the technical aspects of the Compliance Verification scope of work.

10. The RFP states that a BPI person must be on staff. Is it required that the people conducting the QC inspections must have the BPI Analyst certification too?

Answer:

The RFP requires that the bidder have on staff at least one of three options for technical support in the Minimum Qualifications including, optionally, a BPI-certified contractor. There is no requirement that the people conducting Compliance Verifications have the BPI certification.

11. The RFP states that a BPI-certified contractor must be on staff. Are there any specific requirements for trainers?

Answer:

The RFP requires that the bidder have on staff at least one of three options for technical support in the Minimum Qualifications including, optionally, a BPI-certified contractor. CAEATFA has not established specific requirements for trainers.

Questions Regarding CAEATFA's Current Practices

12. Does CAEATFA or CSE have an active contractor portal by which contractors can apply for program participation, and/or through which contractor credentials and eligibility requirements be housed and managed? Or, is this type of contractor management portal/system a tool that the selected Contractor needs to provide? It appears the CHEEF on-demand Internet system [described in Section 6, page 11] may serve this purpose, and that the Contractor will be asked to supplement this system with information for reporting purposes.

Answer:

Neither CAEATFA nor CSE have an "active contractor portal." CAEATFA does maintain a website through which contractors can access program materials and tools. CSE offers a portal through which they can access marketing training. Currently, contractors apply by emailing a 3-page PDF application to CHEEF along with a few attachments. Management and housing of contractor credentials and eligibility requirements is currently conducted by CAEATFA. CAEATFA tracks contractor interest and enrollment using the "existing reporting tools" referenced in the Reporting section of the RFP. CAEATFA anticipates that the Contractor Manager will "maintain and improve" these tools and employ more effective tools and processes pursuant to their subject matter expertise. The "internet on-demand access" system discussed in the Conduct Contractor Training section of the RFP only refers to CAEATFA's efforts to provide the initial mandatory training "on-demand" to contractors by allowing them to access it on the web at a time of their choosing. The selected Contractor Manager should establish the system it needs to most effectively carry out the services in Section B of the RFP.

13. Is there a particular technology or database for tracking projects or can firms supply their own?

Answer:

Firms should anticipate supplying their own internal tracking system. Data will be provided to the selected firm by the Master Servicer (Concord Servicing) and/or CAEATFA. The Master Servicer and CAEATFA anticipate sending both 1) Microsoft Excel or CSV files containing regular reports on projects and 2) PDF or image files of the program documents listed in the Compliance Verification section on page 7 of the RFP. The program documents contain some information which will not be available through the reports.

14. How are you performing contractor management and training in the pilot today? Is this a new opportunity, or a reduction of work for CSE and/or CAEATFA performing the work today?

Answer:

CAEATFA is currently performing a basic level of contractor management and training, with CSE providing additional recruitment assistance and post-training support to the contractors to help them make use of the program. The RFP contemplates a transition and coordination of this work to the Contractor Manager, and as a result will reduce workload on existing CAEATFA staff and shift some of the current work being conducted by CSE. We anticipate the Contractor Manager providing a higher level of support to contractors in terms of helping them use the program and provide them with regular updates.

15. What is CSE's role, and what are they doing today that will transfer over onto this contract? For example, Section B.1. mentions, "The Contractor will conduct (or coordinate with CSE to conduct)..." (p. 4). For which items would you expect the contractor to take the lead, versus coordinate with CSE?

Answer:

CSE is the CPUC's current vendor to carry out the Statewide Financing Marketing plan and was the former implementer of the Statewide Marketing Plan. CSE currently controls the statewide website (<http://www.gogreenfinancing.com/>) promoting financing in general (beyond the CHEEF), various tools, the CHEEF specific collateral marketing campaign, and has focused the consumer marketing campaign on marketing through strategic partners (contractors, lenders, IOUs, local entities, trade organizations). The current approved Statewide Financing Marketing Plan further illustrates CSE's strategy and provides a summary of the roles (<http://www.treasurer.ca.gov/caeatfa/cheef/marketing.pdf>). The Statewide Financing Marketing contract is currently being re-bid, and is anticipated to be completed by September 2017. The Contractor Manager will have primary responsibility for contractor recruitment, enrollment, program training, and project support for contractors. CSE will have responsibility for the statewide consumer marketing campaign, web portal, contractor collateral marketing, and strategies to market through the contractors as strategic partners. CAEATFA expects to further direct the Contractor Manager on specific details and lead assignments concerning these efforts, following award of this RFP.

16. Section B.6. (Reporting) in the RFP mentions existing reporting tools (p.11). What existing reporting tools and databases are used today?

Answer:

CAEATFA currently maintains a master contractor list of enrolled contractors, containing information for both internal management and public listing. CAEATFA maintains a Google map of enrolled contractors which displays their service areas. CAEATFA and CSE both maintain contractor-outreach target lists with contact attempts that are provided to both parties to ensure appropriate collaboration. The Master Servicer has a database and will provide regular reports on the specific contractors and associated projects for enrolled loans. (See answer to question #13)

Questions Regarding Quality Control Inspections

17. For the testing procedures, it appears that the BPI protocols will be used. Does that mean full diagnostic testing (blower door, duct testing, and CAZ) will be required when the envelope is affected?

Answer:

Please note that CAEATFA does not envision that the Contractor Manager will duplicate any actual tests, such as blower door tests. The scope of this RFP, relative to testing, is to verify that appropriate testing was completed and passed.

18. For duct testing, will it be leakage to outside or total leakage?

Answer:

Please note that CAEATFA does not envision that the Contractor Manager will duplicate any actual tests performed by contractors. CAEATFA expects that contractors performing duct testing, in connection with applicable EEMs, will comply with current requirements of Title 24.

19. When items are not visibly possible to verify, like wall insulation, will the contractors have to provide supporting documentation or will the inspector be allowed to remove outlet cover plates and look to see if there is insulation?

Answer:

The RFP contemplates refining elements of verification procedures with the Contractor Manager. In this case, CAEATFA would accept removal of outlet cover plates as part of a verification procedure.

20. For (Do-It-Yourself Home Installers) will the inspections only be visual?

Answer:

Yes, inspections of self-installed projects will only be visual; no contractor-prepared invoice or other documentation will be collected or required.

21. Should other health and safety issues be identified and should the homeowner be informed?

Answer:

Yes, if in the course of Compliance Verification any hazardous condition is observed, the Contractor Manager should notify the homeowner.

22. If possible asbestos containing materials or black organic matter (mold) are identified, no diagnostic testing should be performed. What happens in this situation if the QC inspector identifies an issue?

Answer:

Compliance Verification scope of work does not include diagnostic testing. If in the course of Compliance Verification any hazardous condition is observed, the Contractor Manager should notify the homeowner.

23. Will the QC inspector be required to determine if the CMC, CEC and T-24 codes have been met?

Answer:

No, the On-site Field Verification and Audit section of the RFP states that these verifications are not intended to duplicate local government inspection and oversight related to health and safety, nor is it intended to verify Title 24 code compliance. However, the Desktop Verification section of the RFP provides for a documentary review of Title 24 compliance to the extent this can be evaluated through a desktop review.

24. Will a blower door "Test-In" and a blower door "Test-Out" be required of contractors for each participating project?

Answer:

Blower door test in and test out are not required for each project.

25. If a blower door test is conducted, will the contractor have to install mechanical ventilation (MV) per ASHRAE 62.2-2016? If so, will the QC inspector need to inspect the MV system and measure the MV CFM airflow to verify it has been installed correctly?

Answer:

The installation contractor is expected to comply with applicable code requirements and its installation of EEMs is subject to local government inspection. Compliance verifications will not include inspection or measurement of MV systems.

26. It is the opinion of CAEATFA that the following two questions submitted by interested parties are answered with the same statement:

- a. As Combustion Zone Testing requires a large amount of field verification, based on the Contractor Tiers, please provide an estimate of the percentage of total projects, on an annual basis, that you believe will have Combustion Zone Tests completed. [Page 8, f. i. and f.ii. and page 9 Tier table]
- b. Do you have a to-date, historical precedent on the percentage of projects that have required Combustion Zone Tests? Or, what are your requirements for a project to receive a Combustion Zone Test? [Page 8, f.i. and f.ii. and page 9 Tier table]

Answer:

CAEATFA does not have robust historical precedent for the percentage or estimates of projects requiring CAZ/CAS tests, given low project volumes thus far. Because CAZ/CAS testing is only required under certain situations, specified in the Project Requirements section of the REEL Program Regulations referenced in the RFP, CAEATFA expects only a moderate percentage of projects to be affected. Note that the Contractor Manager is only performing field verifications on projects (whether or not they required a CAZ/CAS test) that did not receive a utility rebate or incentive.

Questions Regarding Projected Pilot Volumes

27. How many residential contractors do you anticipate participating in this program each of the three planned years?

Answer:

Since this is a pilot, CAEATFA cannot provide specific estimates. The goal is to have active participating contractors to meet the population needs of the various cities and regions within the IOU territories. For context, CAEATFA staff believe that there are currently 600 contractors enrolled in the state's Energy Upgrade California Program, but only a portion of those enrolled contractors are active. In addition, given the increased flexibility recently provided by the CPUC, CAEATFA staff believe that upcoming program modifications will have a broader appeal to contractors. As set forth in the Cost Proposal Worksheet (Attachment #5), respondents "should provide annual fee estimates based on a scenario of 100 currently enrolled Participating Contractors, with the addition of 100 Participating Contractors per year across all IOU territories under the REEL Program."

28. It is the opinion of CAEATFA that the following five questions submitted by interested parties are answered by the subsequent statement:

- a. How many projects, in total, do you see this program processing during each of the three planned years? The participating contractor information given in Attachment 5 is appreciated but it does not translate into number of projects per year, which drives many elements, such as desk-top reviews and on-site reviews.
- b. Assuming one loan per residential participant, how many residential energy efficiency improvement loans do you see being issued through this program each of the three planned years?
- c. Do you have a to-date number of participating projects on an annual basis, or a targeted annual goal for the number of participating projects on an annual basis?
- d. Page 7, Section 5 Compliance Verification states requirements for total percentages of required verification, total maximum budget, and to provide a per-transaction fee for CV work (both desk and field separately), but there are no maximums/caps on the number of Qualified Contractors or estimates on projects other than generic scenarios. Can any additional estimates be provided?
- e. How many financial lenders are anticipated to participate each year of the three planned years, OR, what are your targeted participation rates for financial lenders?

Answer:

As set forth in the Cost Proposal Worksheet (Attachment #5), "the REEL program is new and therefore has a very limited track record of transaction volume and actual participation metrics." CAEATFA recognizes the attendant difficulty for respondents to determine scope of efforts and has specified Desktop Verifications and On-site Field Verifications as per-transaction cost proposals from respondents. Loan volume to date has been low during the early-implementation phase as both lenders and contractors begin to use the program, but future program changes are expected to widen program opportunities by both expanding the list of eligible measures and simplifying the process for lenders. In its discussions with lenders who have become more interested in the program due to the upcoming modifications, they have identified goals of having over \$1,000,000.00 in monthly loan volume.

There are currently 5 lenders enrolled in the program, of which four (credit unions) have built the infrastructure to offer loans. CAEATFA is in discussions with several additional lenders who are interested in participating in the program given upcoming program modifications. CAEATFA anticipates current lenders to continue participation and additional lenders to be added. CAEATFA does not have a target for participating lenders, but does not expect participation to exceed 10 lenders.

Additionally, as set forth in the amended Cost Proposal Worksheet (Attachment #5), respondents "should provide annual fee estimates based on a scenario of 100 currently enrolled Participating Contractors, with the addition of 100 Participating Contractors per year across all IOU territories under the REEL Program." Note that CAEATFA and CSE have undertaken ME&O efforts targeting 500 projects by the end of 2017 and expect projects to continue growth in the following year.

Other Questions

29. Does the anticipated two-year period referred to in Section A.3. run from July 6, 2017 through June 30, 2019? If not, please clarify the parameters of the "two-year period".

Answer:

The Contract awarded as a result of this RFP will begin on the award date (currently anticipated as July 6, 2017) and will be a two-year contract with a potential one-year extension, for a total of three possible years of work under the Contract. The Contract begins (and work can commence) on the day that the Department of General Services (DGS) Office of Legal Services (OLS) finishes reviewing and approves the Contract documents. The contract termination date is two years after the date of approval (e.g., if Contract is approved July 6, 2017, the two-year period would be until July 5, 2019). The possible one-year extension would make the contract termination date three years from the DGS approval date (In keeping with the previous example, that would be July 5, 2020).

30. Do you have other goals or performance metrics besides number of participating contractors? For example, number of loans, energy savings, etc.?

Answer:

Yes, CAEATFA has other goals and performance metrics, which are not finalized. CAEATFA expects to share these goals and performance metrics with the winning respondent as they are finalized, and in coordination with current public processes being conducted by the CPUC.

31. Would the Contractor Manager be seen as having a conflict of interest in providing any other services related to the delivery of the REEL lending programs, if:
- providing services on behalf of either a specific lender, or
 - across all lenders, or
 - would this depend on the nature of the services?

Answer:

Yes, there would likely be a conflict of interest if the Contractor Manager was providing services on behalf of a specific lender. It is also, however, true that it would depend on the nature of the services being provided. This can be determined after proposals are submitted, and additional information is available.

32. In Section A.3. of the RFP, three major tools/delivery approaches were specified, with the third stating, “on-bill repayment through which PFIs additionally may benefit from the IOU’s customer service disconnection process that is tied to a customer’s failure to make financing repayments” (p.3). Can additional information be provided regarding the customer service disconnection process?

Answer:

No residential customers are subject to service disconnection for failure to pay a finance charge. The service disconnection process is not relevant to the services to be performed pursuant to this RFP.

33. What is the anticipated launch date for the PG&E EFLIC sub-pilot?

Answer:

There is currently no specific launch date for the EFLIC sub-pilot to launch, as it is dependent on the CHEEF and IOU development of OBR infrastructure, as well as PGE’s, and an active lender interested in utilizing the residential OBR infrastructure.

34. Section B.1.d. of the RFP refers to social media. Are there preferred/already established social media sites?

Answer:

CSE has a social media site on Facebook and recently began a social media campaign.

35. Section B.5.v. of the RFP references Energy Modeling Documentation. If required, what types of modeling software are applicable?

Answer:

Modeling software references can be found at: <https://homeupgrade.org/new-software-modeling-options-advanced-home-upgrade-2/>.

36. Item 1.5.1.8 in Attachment 1 to Exhibit E references a SSAE 16 Type II report. Please specify the “other independent verification” items that would be acceptable.

Answer:

Proposer may provide relevant elements of its policy and procedures manual addressing Customer Data, for CAEATFA or IOU review, as a substitute for an independent SSAE 16 Type II report.

If you have any questions regarding this addendum, or should you require any clarifying information, the contact person for this RFP is:

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