

**CALIFORNIA ALTERNATIVE ENERGY AND
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Consideration of Contract with Frontier Energy, Inc. for Universal Contractor
Management Services for the California Hub for Energy Efficiency Financing (CHEEF)
Pilot Programs in an Amount Not to Exceed \$1,500,000***

Tuesday, April 16, 2019

Prepared by: *Jessica Arceo, Contract Analyst*

REQUEST

Staff is requesting approval to enter into a contract (“Contract”) with Frontier Energy, Inc. (“Frontier,” “Universal Contractor Manager,” or “Provider”) to provide assistance to the Authority with development and ongoing support for tasks related to the implementation of CAEATFA’s energy efficiency financing pilot programs (collectively, “Programs”) under the California Hub for Energy Efficiency Financing (CHEEF), including:

- The Residential Energy Efficiency Loan Assistance Program (REEL)
- The Small Business Energy Efficiency Financing Program (SBF)
- The Affordable Multifamily Financing Program (AMF)
- The Non-Residential Efficiency Financing Program (NRE)

More specifically, the Provider will provide services related to energy efficiency contractor engagement with the Programs including education & outreach, training, enrollment, support, compliance verification & quality assurance and reporting.

Contract Amount. Not to exceed a total aggregate of \$1,500,000 over the entire Contract term, including the optional extension.

Term of Contract. The initial Contract term will be two years, after which CAEATFA may choose to execute one, one-year extension.

SUMMARY

CAEATFA assumed the role of the administrator of the California Hub for Energy Efficiency Financing (CHEEF). As the CHEEF, CAEATFA serves as a facilitator among a multitude of stakeholders, including the California Public Utilities Commission (CPUC), the Investor Owned Utilities (IOUs), finance companies, and energy efficiency retrofit contractors.

Role of the Universal Contractor Manager. Universal Contractor Manager tasks will include contractor and project developer (collectively, “contractor”) recruitment and management; engagement, training and support; project compliance verification/quality assurance; and reporting for the CAEATFA programs that are listed above. The services provided will vary depending on the stage of development of each specific program.

The Scope of Services broadly falls into seven categories:

1. Contractor Marketing, Education, and Outreach (ME&O) and Recruitment
2. Contractor Training
3. Contractor Enrollment
4. Support and Engage Participating Contractors
5. Project Compliance Verification/Quality Assurance
6. Data Management and Reporting
7. Program Design Assistance/Task Orders

Request for Proposal Process. On February 26, 2019, CAEATFA staff (“Staff”) advertised a Request for Proposal (“RFP”) through the Department of General Services Contracts Register, as well as on the CAEATFA website. At the proposal deadline, March 20, 2019, the Authority received two proposals.

Staff developed an evaluation process that included an Evaluation Committee consisting of CAEATFA staff and management. The proposals were evaluated based on the characteristics and point values outlined below, for a maximum possible 100 points. Frontier’s proposal received a total score of 86.35 from the Evaluation Committee.

- 1) Firm Qualifications, Experience, and References: The firm’s overall experience and ability to successfully complete the scope of work, as well as the firm’s experience as a contractor to state or other government entities for demonstration of the firm’s expertise specific to programs substantially similar to the California Hub for Energy Efficiency Financing programs. (30 points)
- 2) Personnel Experience and Qualifications: The individuals to be assigned to the Contract on the basis of background and experience in related work, including experience with energy efficiency technology and similar types of programs. (15 points)
- 3) Approach: The firm’s understanding of the scope of work, focusing on the firm’s proposed approach and tasks laid out to accomplish the scope of work. (25 points)
- 4) Fee Schedule (Cost): The actual fees proposed, including the reasonableness of rates, estimated cost detail and effectiveness (given value of services to be obtained), and cost effectiveness (given the experience and qualifications of firm and its personnel). For evaluation purposes, the cost proposal were required to include the proposer’s budget, work plan and work schedule for the hypothetical scenario provided by CAEATFA. (30 points)

After reviewing all proposals, CAEATFA’s evaluation team determined that Frontier was the most qualified proposer.

Since October 2017, Frontier has served as the current Contractor Manager for the REEL Program. Frontier has been a good partner to CAEATFA and Staff looks forward to continuing to work with Frontier as a contractor manager.

Overview of Frontier Energy. Frontier Energy, Inc. is teaming with subcontractors Richard Heath & Associates (RHA) and ADM Associates (ADM) to provide optimal and comprehensive contractor management services for the CAEATFA CHEEF Pilot Programs. Frontier’s team has experience and qualifications in the functional aspects of energy efficiency markets across the building types and segments served by the CHEEF, and are anticipated to increase successful contractor recruitment and management across sectors. ADM was added to the team for their expertise in small business and Municipalities, Universities, Schools and Hospitals (MUSH) markets. To meet the extended scope of the programs, Frontier has added individuals to its staff who bring experience in commercial, small business, multifamily, and low-income/hard-to-reach programs; communicating with ESCOs; and technical expertise in diverse energy efficiency technologies.

Frontier’s team strengths encompass 35 years of experience supporting energy efficiency programs including energy efficiency financing programs. They have provided marketing, reporting, and contractor outreach and training services for programs dating from the State’s original experimental 2002-05 Retrofit Home Performance Program for PG&E, to Recovery Act-funded Energy Upgrade California and the current Regional Energy Networks.

Frontier was selected out of the two proposals received by demonstrating its strong experience in and understanding of the implementation and improvement of energy programs in California, its ability to cultivate contractor networks and relationships, and its strategic approach to grow contractor participation and increase the number of projects under the Programs. As the Universal Contractor Manager, Frontier will maintain a core team of in-office staff based in Los Angeles and Oakland, with subject matter experts in working with ESCOs, multifamily, small business, commercial and nonresidential customers. Contractor account managers and on-site inspectors will also be available to provide statewide coverage.

Contract Terms. The initial Contract term will be two years, after which CAEATFA may choose to execute a one-year extension at the discretion of the Executive Director, for a maximum Contract term of three years. The compensation amount shall not exceed \$1,500,000 for the term of the Contract, including any extensions.

The Authority will compensate the Provider for services satisfactorily rendered, and upon receipt and approval of invoices pursuant to the approved Fee Schedule. Invoices shall be provided to CAEATFA monthly and in arrears, and costs for specific deliverables will be controlled through task orders.

Recommendation. Staff recommends adoption of a resolution authorizing execution of a contract with Frontier Energy, Inc. as Universal Contractor Manager for the California Hub for Energy Efficiency Financing (CHEEF) Pilot Programs in an amount not to exceed \$1,500,000 over three years.

RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY AUTHORIZING THE EXECUTION OF A CONTRACT WITH FRONTIER ENERGY, INC. AS UNIVERSAL CONTRACTOR MANAGER FOR THE CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING (CHEEF) PILOT PROGRAMS

April 16, 2019

WHEREAS, the California Alternative Energy And Advanced Transportation Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Alternative Energy And Advanced Transportation Financing Authority Act (Division 16 (commencing with Section 26000) of the California Public Resources Code) (the “Act”);

WHEREAS, the Authority has determined it requires a universal contractor manager to assist it with the implementation of the Programs under the California Hub for Energy Efficiency Financing (“CHEEF”);

WHEREAS, the Authority has undergone a competitive process to identify an appropriate contractor to perform universal contractor manager functions, with knowledge of and experience with program administration; energy efficiency financing; marketing, education, and outreach campaigns; development and provision of contractor training; development and utilization of online application portals; compliance verification; and reporting;

NOW, THEREFORE, BE IT RESOLVED by the Authority, as follows:

Section 1. The Authority hereby authorizes the execution of a contract in an amount not to exceed \$1,500,000.00 to retain Frontier Energy, Inc. to provide universal contractor management services and other actions related thereto in connection with the Programs under the California Hub for Energy Efficiency Financing (“CHEEF”).

Section 2. The term of the contract will commence upon its execution and will continue for two years with an option for the Authority to extend for one additional year, unless earlier terminated by the Authority.

Section 3. The Chair of the Authority and Executive Director are hereby authorized for and on behalf of the Authority to obtain universal contractor management services, with the form and substance of said contracts to be reviewed and approved by legal counsel of the Authority.

Section 4. This resolution shall take effect immediately upon its approval.