



REQUESTS FOR QUALIFICATIONS FROM:  
RENEWABLE ENERGY CONSULTANTS/ CONTRACTORS THAT  
SPECIALIZE IN ASSISTING AGENCIES WITH THE  
EVALUATION, PLANNING AND DEVELOPMENT OF  
RENEWABLE ENERGY PROJECTS

July 18th, 2017

City of Watsonville  
Public Works and Utilities  
500 Clearwater Lane  
Watsonville, California 95076



# CITY OF WATSONVILLE

*"Opportunity through diversity; unity through cooperation"*

## REQUEST FOR QUALIFICATION STATEMENTS FROM RENEWABLE ENERGY CONSULTANTS/ CONTRACTORS THAT SPECIALIZE IN ASSISTING AGENCIES WITH THE EVALUATION, PLANNING AND DEVELOPMENT OF RENEWABLE ENERGY PROJECTS

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The City of Watsonville is situated in the heart of the Pajaro Valley, just three miles from beautiful Monterey Bay. Home to some of the State's most innovative and productive agricultural businesses, the Valley also features Wetlands of Watsonville, a vibrant 800-acre marsh habitat that is home to a number of threatened and endangered species. Protecting both of these critical resources is a priority for the City.

Climate change is clearly a threat to both the valley's economic and environmental health. In response, the City has implemented a number of renewable energy and energy efficiency projects. These measures have not only reduced the City's greenhouse gas emissions by 17%, they have also helped significantly reduce the City's energy costs.

Given the success of the City's existing energy projects, and the increasing threats posed by climate change, the City is looking to develop additional renewable energy resources. The City's goal is to offset 100% of our municipal power needs, with a secondary goal of creating surplus power than can be sold back to the grid. In order to help us achieve this bold sustainability goal, the City has developed the attached request for qualifications. We look forward to submittals from all suitably qualified businesses. Please note that we are accepting submittals for any of the following:

- Engineer-Procure-Construct (EPC) Contractor or Developer

Or

- Financial Advisor

Or

- The entirety of the project (EPC and Financial components combined)

Should you have any questions regarding the RFQ, please contact Rachel Kippen at (831) 768-3165, or by emailing [rachel.kippen@cityofwatsonville.org](mailto:rachel.kippen@cityofwatsonville.org).

Regards,  
Steve Palmisano  
Public Works Director



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### SECTION 1A - INTRODUCTION, BACKGROUND & GENERAL REQUIREMENTS

| Paragraph | Title/Subject   |
|-----------|---|
| 1.0       | Invitation to Submit Proposals  |
| 2.0       | City Energy Consumption   |
| 3.0       | General Requirements  |
| 4.0       | Proposal Deliverables   |
| 5.0       | Description of Work   |
| 6.0       | Documentation, Construction, Startup, Acceptance Testing, & Outreach/Communications |
| 7.0       | Selection Process & Evaluation Criteria   |
| 8.0       | Terms and Conditions  |

#### **1. INVITATION TO SUBMIT PROPOSALS, GENERAL INFORMATION**

##### **1.1. Introduction**

The City is interested in exploring renewable energy projects (an expected range of 10 to 12 MW of peak capacity) on City-owned lands and buildings (such as the City landfill, airport, municipal parking lots etc.). The City budget does not include funds for this work and is therefore looking for the consultant or contractor to provide financing options for proposed projects. The City is open to signing on to land purchase agreements for renewable energy projects outside City limits.

The City invites qualification statements from firms experienced with assisting public agencies in evaluating, planning, financing and developing renewable energy projects. The City will coordinate a one-day site visit for potential applicants.

##### **1.2. Statement of Intent**



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Proposals shall demonstrate the Respondent's ability to evaluate the technical and economic viability of renewable energy projects such as (but not limited to) solar, landfill gas generation, organics processing, cogeneration, and other renewable energy measures. At a minimum, proposed projects shall:

- A. Consider the City's current/future energy needs and associated costs.
- B. Research and identify a broad suite of energy producing/saving options for the City of Watsonville.
- C. Provide the potential for future City revenue resulting from City generated excess renewable energy resulting from this project.
- D. Take full advantage of funding opportunities for any and all energy options.
- E. Address all regulatory and environmental constraints and requirements that pertain to proposed projects.
- F. Be compatible with any planned or potential future energy Collaborations such as the newly formed Monterey Bay Community Power Authority.
- G. Consider solutions that are not restricted as to technology or installation methods. Such exceptions to this Specification are encouraged, but each exception must be fully explained in the response.

## 2. CITY ENERGY CONSUMPTION

### 2.1. Electricity

- 2.1.1. City facilities receive electric service through approximately two hundred revenue meters owned by the Pacific Gas and Electric Company (PG&E).
- 2.1.2. City facilities are served at low voltage, either 208Y/120V or 480Y/277V, 60Hz, 3Ø, 4W. There may be a few that are served at 120/240V.



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2.1.3. Complete consumption (kWh) and, where applicable, demand (kW) for the 12 months ending in April, 2017 can be found in Section 4. Below are some summary statistics.

- A. Total Consumption – 10.5 MM kWh
- B. Estimated Non-Coincidental Peak Demand – 8,000 kW to 10,000 kW.
- C. Total Annual Expense - \$2.6 million
- D. Average Rate - \$0.21 per kWh

### 2.2. Natural Gas, Landfill Gas

2.2.1. Natural Gas service from PG&E is found at all City Facilities. Incomplete records do not permit an estimate of total annual consumption.

2.2.2. The City operates a landfill that produces approximately 240 scfm of gas with a methane content of 45%.

- A. The landfill gas (LFG) is not currently available for inclusion in this effort. However, it may become available at a later date.

## 3. GENERAL REQUIREMENTS

### 3.1. Proposal Responses

#### 3.1.1. **Submittal Cover**

Shall include the title, submittal due date, name, address, telephone numbers, and e-mail address of the principal contact.

#### 3.1.2. **Table of Contents**

Shall be complete and clear, listing headings and pages to enable easy reference.

#### 3.1.3. **Cover Letter**

Shall be brief. Any changes to the submittal format, or deletions of requested material, should



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be explained in the cover letter. Cover letter shall provide respondent's primary contact (include address, e-mail address and telephone number).

### 3.1.4. **Statement Methodology**

Shall contain a concise narrative that demonstrates the respondent's understanding of the requested deliverables.

### 3.1.5. **Experience with Performing Construction Management**

Shall include examples of the respondent's experience with similar work. Describe the project(s), the contract amount(s) and the work the respondent performed. Provide the name(s) and telephone number(s) of the respondent's project manager and the client's project manager for all projects.

### 3.1.6. **Experience with Efficient Application of Resources that Scale to the Assignment**

Respondent shall provide descriptions of work of similar projects where the application of personnel and other resources are commensurate with the complexity and size of this project. Examples must include evidence of completing a minimum four successful similar, multi-site (1 MW total or greater) projects within the past seven years.

### 3.1.7. **Experience with Managing Projects Funded by Various Grant Funding and Financing Programs**

Describe experience with projects funded by grants and other financing options, including commercial, state and federal sources. This section will describe the respondent's experience with these funding sources and their respective administrative requirements. Include any experience in securing financing for a project of this scope.

### 3.1.8. **Project Personnel**

Identify the contact person with primary responsibility to oversee management of the project. Identify members of the project management team. The persons listed will be considered committed to the study with no substitutions without prior agreement with City of Watsonville. Provide a résumé for each professional person assigned to the project. Any proposed subcontractors will be identified. It is highly desirable to utilize local subcontractors whenever



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possible. The City requests access to the lead staff and organization qualifications via LinkedIn and other social media.

### 3.1.9. **Organization Chart**

Provide an organization chart for the entire company including the names of all key personnel with titles and their specific task assignment for the proposed project.

### 3.1.10. **Fee Schedule**

Provide a listing of the firm's standard charges for personnel and services and a description of the fee schedule.

### 3.1.11. **Submittal Due Date and Number of Copies**

### 3.1.12. **Statement of Qualifications**

Shall exercise brevity, be printed on double sided paper, and covered with a recyclable cover and binding. Three bound copies in addition to an electronic copy of the Statement of Qualifications must be delivered by 4:00 PM on Friday, August 25th to:

Rachel Kippen  
Environmental Special Projects Coordinator  
City of Watsonville  
Department of Public Works and Utilities  
Water Resources Center  
500 Clearwater Lane  
Watsonville, CA, 95076  
Rachel.Kippen@cityofwatsonville.org

## 4. DELIVERABLES

4.1. Statement of Intent

4.2. Statement of Qualifications

4.3. Description of Projects





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### 4.4. Case Studies of Successful Projects

### 4.5. Recommendations

## 5. DESCRIPTION OF WORK

### 5.1. Economic Viability and Engineering

- 5.1.1. A complete discussion of Engineering and Financial Viability is given in the two (2) sections immediately following this section. Where a conflict exists between parts of this Specification, either (a) the more stringent, or (b) the least exposure to the City shall govern. The Responder is hereby advised that their response should be limited to offering a Proposal for one (1) discipline: Either Financial Advisor **or** Developer.
- 5.1.2. Provide assistance with selection, evaluation, planning and technical feasibility of renewable energy projects that provide the maximum environmental and financial benefit to the City.
- 5.1.3. Identify risks and exposures associated with the project and consult with City staff to review and implement solutions.
- 5.1.4. Identify environmental issues associated with development at City sites especially the City Landfill and Municipal Airport, develop CEQA documents and any proposals for mitigation and submit applications for all associated permits.

### 5.2. Funding & Project Economics

- 5.2.1. Model the long-term economic performance of each alternative developed in Phase One. Modeling time-frame is twenty (20) years, and should demonstrate the project's ability to successfully,
- 5.2.2. Reduce energy expense for the City.
- 5.2.3. Earn an Internal Rate-of-Return that exceeds 150% of bank interest that the City might otherwise earn.
- 5.2.4. Exhibit positive cash-flow for the life of the project.
- 5.2.5. Prepare applications for grant reimbursement, bond insurance, power purchase agreements or other funding mechanisms



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### **6. DOCUMENTATION, CONSTRUCTION, STARTUP, ACCEPTANCE TESTING, AND OUTREACH/COMMUNICATION**

- 6.1. Provide technical and administrative services for the project.
- 6.2. Undertake all work to bring the selected projects on line and into commercial operation.
- 6.3. Develop a program of acceptance testing to demonstrate selected projects' capabilities for meeting the energy-savings goals.
- 6.4. Prepare and execute performance guarantees to indemnify the City.
- 6.5. Maintain close liaison with the City staff to convey all project information, communications and correspondence.
- 6.6. In coordination with the City project manager, plan public notifications for construction related impacts and assist the City in responding to inquiries.
- 6.7. Coordinate submittals review with the design engineer and the City project manager.
- 6.8. Coordinate any requests for information with City staff.
- 6.9. Coordinate, when possible, with local training programs such as Cabrillo College's Solari Center and Santa Cruz County's Regional Occupation Program to provide opportunities to engage and mentor interested community members in careers related to renewable energy.
- 6.10. Measure completed work and prepare progress payments.
- 6.11. Negotiate and prepare contract change orders.
- 6.12. Properly inform City staff of the progress payments, means of measurement and payment for same.
- 6.13. Secure the City project manager's approval.
- 6.14. The exact scope of services required by the City will be set forth in the agreement between the City and the consultant. A copy of the City's standard agreement is attached to this request for statements of qualifications.

### **7. SELECTION PROCESS AND EVALUATION CRITERIA**

#### **7.1. General**

Qualifications statements will be evaluated using three criteria: mandatory criteria, technical



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qualifications, and readiness:

### 7.2. Mandatory Elements

- 7.2.1. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
- 7.2.2. The firm adheres to the instructions in this request for qualifications statements.

### 7.3. Technical Qualifications

- 7.3.1. The firm's past experience and performance with similar assignments.
- 7.3.2. The quality of the firm's professional and paraprofessional personnel to be assigned to this project.
- 7.3.3. The quality of the plan and management approach to execute the required services.

### 7.4. Readiness and Availability

Demonstration that the current workload of the firms listed team members will not impact their ability to fulfill the requirements of services required for this contract.

### 7.5. Oral Presentation

During the evaluation process the City may, at its sole discretion, request any one, all or no firms to make an oral presentation. Should the presenting firm hire subcontractors with 10% or more of the proposed plan facilitation, the City may request that these subcontractors be present at oral presentations.

### 7.6. Submittal Selection Process

- 7.6.1. A Selection Committee will review and evaluate the submittals utilizing the Selection Criteria listed above. Based on the evaluations of the Selection Committee, all qualified respondents will be ranked. The highest ranked company will be asked to meet with the City to develop a Scope of Work and cost proposal. If agreement cannot be reached, negotiations will be terminated and the City will contact the respondent ranked next in order.
- 7.6.2. The City will contract with the selected consultant using the City's standard consultant services agreement. This agreement requires the consultant to secure auto and general commercial liability insurance naming the City and its employees additional insured; professional errors and



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omissions insurance; and workers compensation insurance. The negotiated contract will require approval by Watsonville City Council.

### 7.7. Pre –Submittal Meeting

A mandatory Pre-Submittal meeting is scheduled for July 31<sup>st</sup> from 9AM- 11AM Pacific Time.

Respondents may dial in to the following conference line: (515) 604-9300, Access Code: 148595.

### 7.8. Contact with the City of Watsonville

Questions regarding this solicitation shall be directed to Rachel Kippen, at 831-768-3165; rachel.kippen@cityofwatsonville.org. Questions shall be submitted by email to facilitate broadcasting the response to all respondents in a timely manner. The final date for question submittal is Monday, August 7<sup>th</sup>, 2017.

## 8. TERMS AND CONDITIONS

### 8.1. City Rights and Options Pertinent to This Solicitation

The City, at its sole discretion, reserves the following rights:

8.1.1. To reject any, or all SOQs or information received pursuant to this RFQ;

8.1.2. To supplement, amend, substitute or otherwise modify this RFQ at any time by means of written addendum;

8.1.3. To cancel this RFQ with or without the substitution of another RFQ or prequalification process;

8.1.4. To request additional information;

8.1.5. To verify the qualifications and experience of each respondent;

8.1.6. To require one or more respondents to supplement, clarify, or provide additional information;

8.1.7. To hire multiple contractors to perform the necessary duties and range of services if that is determined to be in the best interests of the City:

8.1.8. To waive any minor defect or technicality in any SOQ received.

8.1.9. The City accepts no financial responsibility for any costs incurred by the respondent. All submittals become property of the City and may be used in any way deemed appropriate.



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Submittals shall be considered valid for 120 days after submittal deadline.

### 8.2. Compensation

Compensation shall be determined as part of the public contracting process.

### 8.3. Formal Approval of Contract

The respondent understands that issuance of this solicitation does not commit the City of Watsonville to award a contract, to pay any costs incurred in the preparation of a response to this solicitation, or to procure a contract for services. The respondent should note that the execution of any contract pursuant to this solicitation is dependent upon the approval of Watsonville City Council, as required.

### 8.4 Independent Contractor Status

The respondent agrees, if selected, that they shall perform the services as independent contractor(s) and not as a (an) employee(s) of the City.

### 8.5 Confidential Solicitation

The City will not share the details of individual responses to this solicitation with competing respondents during the selection process. After the selection process ends and a contract is awarded, all solicitations become public information.

### 8.6 News Releases

The respondent agrees, if selected, that the City will review and approve all news/media releases and corresponding communication including social media, pertaining to this solicitation and/or subsequent agreement(s). All news releases will be submitted in writing to the City's project manager. The project manager will review and submit the news release to the appropriate City personnel for final review and approval in a timely manner.

### 8.7 Conflict of Interest/Financial Disclosure

The respondent agrees, if selected, to comply with the City's duly adopted Conflict of Interest Code. Key personnel who will be performing services under this Agreement are required to make disclosures with respect to the City of Watsonville.



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### 8.8 Indemnification

The respondent agrees, if selected, to indemnify, hold harmless, and file form 700, the City of Watsonville and all officers and employees of each entity from any and all liability, claims, costs (including reasonable attorneys' fees), demands, damages, expenses, and causes of action as outlined in the contract.

### 8.9 Examination of Solicitation

The respondent understands that the information provided herein is intended solely to assist the respondent in submittal preparation. To the best of the City's knowledge, the information provided is accurate. However, the City does not warrant such accuracy, and any errors or omissions subsequently determined will not be construed as a basis for invalidating this solicitation. Further, by submitting a response to this solicitation, the respondent represents that it has thoroughly examined and become familiar with work required in the solicitation and is capable of performing quality work and to achieve the objectives of the City.

### 9.0 Equal Opportunity Program

The City of Watsonville is strongly committed to equal opportunity in solicitation of services. All eligible service providers including individuals, contractors, vendors, consultants, grantees, lessees, and banks, must comply with applicable Equal Opportunity Guidelines.

### 9.1 Nondiscrimination Policy

The respondent shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of its employees, the City staff, other City consultants or other members of the public.

## SECTION 1B. – INTRODUCTION AND BACKGROUND FOR FINANCIAL AND ENGINEER-PROCURE-CONSTRUCT (EPC) COMPONENTS

The primary goal of this renewable energy project is for the City to offset 100% of its power needs. The



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following specifications should be considered related to the financial and EPC components in proposals:

- A. The City also desires to investigate the financial and technical advantages of re-feeding generated renewables into the recently formed Monterey Bay Community Power JPA.
- B. Presently, there are about 200 metered premises, and these City-owned facilities consume approximately 10.5 million kWh per year. The average yearly single-meter consumption is 855,000 kWh, with a maximum single-meter consumption of 1.1 million kWh.
- C. Currently, the City pays an average of 21¢ per kWh, and the City is looking to conduct audit of both electricity payments and rate structures.
- D. Not all facilities are subject to time-of-day revenue metering, but it is estimated that aggregate, non-coincidental demand is in the range of 9.0 – 10.0 MW.
- E. A map showing locations of all City-owned properties is attached to this Section 4, Exhibit 1.
- F. Currently, the City estimates the value of renewable projects to be approximately \$15 million to \$20 million. However, the City will avail itself of qualified third-party funding sources to pay for the work described herein.
- G. The City must obtain working capital from outside sources of bank and private equity capital. Thus, the City will consider entering into a 15 year – 25 year Power Purchase Agreement.
- H. The City may, at its option, choose to become a material partner in any corporation, limited liability or other partnership. Such Special Purpose Vehicles (SPV) may have a measurable effect on the Scope and/or Costs of the Work being performed under this Specification. Any schedule or cost changes will be negotiated at that time.
- I. City-Owned Land and Buildings: There will be no roof-rental or land-rental fees charged by the City.
- J. City Participation in the Monterey Bay Community Power Association (MBCPA): The counties of Santa Cruz, Monterey, and San Benito have formed a Joint Powers Association (JPA) to exercise their rights to purchase generation capacity from qualified third-parties as permitted under the Community Choice Aggregation (CCA) laws. At this writing, there are no specific requirements governing the City's role in the JPA, other than its commitment to participate. As the MBCPA builds its operation, the City may become involved as a material partner. Any changes to the Scope of



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Work shall be described and negotiated at those times.

- K. Should the anticipated returns be favorable, the City will consider raising working capital through issuance of General Obligation Bonds.





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### SECTION 2 - FINANCIAL ADVISOR REQUIREMENTS

| Paragraph | Title/Subject                      |
|-----------|------------------------------------|
| 1.1       | Solicitation                       |
| 1.2       | Purposes and General Scope of Work |
| 1.3       | Exceptions and Alternatives        |
| 1.4       | Submittals                         |

#### 1.1. Solicitation

- A. Owing to the physical and financial complexities of the work, the City has elected to retain the services of a Financial Advisor to act in its behalf to obtain or recommend one or more sources of capital with which the projects will be executed.
- B. The Financial Advisor must be a qualified, experienced individual, partnership, or corporation. It may be necessary to have the Advisor, or their surrogate (equally experienced) temporarily reside in proximity to the City’s offices.
- C. This Request for Qualifications (RFQ) and the successful proposal submitted in response, will form the basis of negotiations resulting in a signed contract for services.

#### 1.2. Purpose and General Financial Scope of Work

The successful Respondent will report directly to the Project Manager or any designee of the Public Works and Utilities Director to execute the Scope of Work below. This document details the requirements for an experienced Financial Advisor, who may be a highly qualified individual or company who will exercise fiduciary responsibility and work under contract to the City to execute the following duties and responsibilities:



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- A. Review the City's prior work to select an Engineering, Procurement and Construction contractor who will execute approved renewable energy projects. Identify, assess the financial impact of, and report risks and exposures to the City
- B. Work with the Project Manager or any designee of the Public Works and Utilities Director, and the EPC as needed to negotiate contract.
- C. Review and approve all invoices, bills, change orders, and other submittals from the EPC contractor, and other Subcontractors and Consultants as appropriate. Develop cash flow reports and estimates of budget sufficiency.
- D. Prepare and submit written reports of all activities, costs, expenditures, and financial exposures once each week, quarterly and at significant stages. Report shall include, but not be limited to, summary cash flow, budget status, and anticipated expenses complete with a discussion of any impact on the overall project schedules. Meet with the City's Project Management staff regularly to inform, identify errors or resolve issues. Review and approve summary reports prepared by the City's Special Project Manager.
- E. Meet with EPC contractor on a weekly basis to resolve financial issues and review progress and cash flows.

### 1.3. Exceptions and Alternatives

- A. The City has not specified the renewable generating technologies or capacities to be used at each site, nor the aggregating of adjacent loads. It is at the EPC Contractor's option to recommend generating technologies, capacities, and fuels.
- B. Thus, the Respondent shall review, comment, and approve (or reject) the EPC Contractor's proposals for construction at those sites recommended by them and approved by the City.
- C. The Respondent is encouraged to apply their experience and take exception to any part of this Specification, but must provide them in writing with their Proposal. Exceptions must be accompanied by written alternative solutions together with justifications for their inclusion.

### 1.4. Submittals

1.4.1. In addition to submittals required in other sections of this RFQ, each Respondent with proposal



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shall furnish:

- A. A preliminary list of exceptions, alternatives, and justifications.
- B. An Organization Chart showing direct and communication paths for all personnel intended for assignment.
- C. Resumes of all key people who will be assigned to this project, especially those of personnel who may be assigned full-time to the work.
- D. Recommendations for subcontractors, who may be retained by the Respondent, provided their work is assessed at ten percent (10%) or more of the total value of the Respondent's proposal.
- E. As applicable:
  - I. A preliminary Terms Sheet for a 20-year Power Purchase Agreement (PPA) with off-take by the City.
  - II. A preliminary Terms Sheet for a Bank/Private Equity direct asset purchase with off-take or other form of pay down by the City.
  - III. An assessment of, and a preliminary Terms Sheet for, a 20-year PPA with the City off-take aggregated with other takers at a site outside City Limits.
- F. A schedule of hourly, daily, weekly, and monthly rates of pay for all classes of employee intended for assignment to this project. These shall be accompanied by overhead, profit, and fringe benefit adders.
- G. A preliminary schedule of rates and adders for Loan Origin, Processing and Management, Travel, Overnight Stays, Overhead Costs, and Profit Allowance.

### 1.4.2 After Award the following will be expected:

- A. Economic models for evaluating both EPC project proposals and Funding Agencies' offerings.
- B. Revised Term Sheets for all funding options proposed.
- C. Revised, firm schedule of rates, fees, overhead, profit, adders, and capital management fees.
- D. Sample economic case studies for at least one Project proposed by the EPC contractor.
- E. Cash flow statements for the aggregation of all proposed Projects.
- F. At least one, but preferably two or more, analyses demonstrating the financial viability and



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advantage to the City for the Project(s) used in 1.4.2 B.

- G. A report discussing weaknesses, financial risks and exposures for the aggregation of all Projects.



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## SECTION 3 - REQUIREMENTS FOR AN ENGINEER-PROCURE-CONSTRUCT (EPC) CONTRACTOR

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| Paragraph | Title/Subject |
|-----------|---------------|
|-----------|---------------|

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- 1.1 Purpose and General Scope of Work
- 1.2 Environmental Review and Permits
- 1.3 Responses
- 1.4 Submittals

### 1.1. Purpose and General Scope of Work

This Specification covers the requirements for an Engineer-Procure-Construct (EPC) Contractor, herein referred to as the Developer.

- A. EPC Contractor (Developer), working under contract to the City, will be responsible for identifying suitable locations for the installation of renewable power generation and supply. The selected sites shall be formally presented to the City as individual Projects complete with renewable generation technology, budget-level pricing, and calculations showing estimated production and cash flow over the life of the project.
- B. Further, the Developer shall prepare and maintain design, production, and pro forma financial models throughout the duration of the Projects.
- C. The Developer shall produce all relevant certified calculations, studies, permits, licenses, and drawings to allow construction, testing, start-up, commissioning, and acceptance testing of all approved projects.
- D. The Developer shall provide all supervision, labor, and materials to construct, test, start up, and commission approved renewable facilities.
- E. The Developer shall provide standby labor to assist and facilitate all work associated with the project.



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- F. The Developer may, at their option, elect to also furnish the capital necessary to complete approved Projects as separate vehicles demonstrated to be affordable and to the City's advantage.
- G. The Developer shall provide Financial Oversight for all projects, as described in Paragraph 2.1 of this Specification.

### 1.2. Environmental Review and Permits

- A. The Developer shall be responsible for obtaining relevant permits including but not limited to Building Air District, Environmental, and (where necessary) Coastal Commission permits.
- B. The Developer shall negotiate with the serving utility, Pacific Gas and Electric Company, for interconnection, excess power export, and operating licenses.
- C. The City will serve as the lead agency for CEQA, and will utilize CEQA documents and mitigation measures created by the Developer. The Developer will be responsible for implementing any mitigation measures as part of the project scope.

### 1.3. Responses

#### 1.3.1 Exceptions and Alternatives

- A. The City has not specified the renewable generating technologies to be used at each site, nor the aggregating of adjacent loads. It is at the Developer's option to recommend generating technologies, capacities and fuels.
- B. Thus, the Developer is encouraged to view the landfill, airport, parks and parking lot facilities indicated on the attached City Map.
- C. The Developer may, at its option, elect to provide third-party financial sources as their subcontractors.
- D. Such Financial institutions must comply with the Financial Requirements detailed in Section 2, above.
- E. The Developer is encouraged to apply their experience and take exception to any part of this Specification, but must provide them in writing with their Proposal. Exceptions must be accompanied by written alternative solutions together with justifications for their inclusion.
- F. The Developer should consider that the City is also willing to consider being the off-taker for a



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single, large-scale solar project located outside of the City limits.

### 1.4. Submittals

1.4.1 In addition to submittals required in other sections of this RFQ, each Respondent shall furnish the following with proposal:

- A. A preliminary list of sites suitable for further development as distributed generation sources together with the reasons for such selections.
- B. Proposed organization for both engineering and field functions. Shall include names and qualifications of all personnel intended for assignment to this Project.
- C. A schedule of hourly rates of pay accompanied by overhead, profit, and fringe benefit adders. This schedule shall apply to all personnel including craft apprentice, staff engineer, and other on-site people.
- D. A schedule of rates for General Conditions, Special Conditions, Overhead Costs, and Profit Allowance.
- E. Where the Respondent elects to supply sources for working capital, the Proposal shall include estimated Lump-Sum fees, rates per kWh, and other charges that may be incurred by the City.

1.4.2 In addition to submittals required in other sections of this RFQ, each Respondent shall furnish the following after award:

- A. Conceptual listing of proposed sites for generation, suggested fuel(s), ratings, and approximate rate offsets.
- B. Revised list of proposed projects for development, and a written discussion of the selection process used for each. Drawings revised or developed to show all necessary information for obtaining reviews for permit, and preliminary submittal to PG&E.
- C. Firm, Guaranteed Maximum or Not-to-Exceed costs for each project proposed.
- D. Calculations demonstrating the output of each selected generating site in one-hour intervals, overlaid on the consumption curve for the facility or the City.
- E. Pro forma income statements for each site selected that show the anticipated savings, or direct revenue, for the City.



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- F. Certified plans, drawings, applications for license, and other documentation needed or required for issuance of City Permits and for Document Sufficiency by PG&E.
- G. Applications for permits and licenses ready for signature by the City.





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## SECTION 4 - MAPS & MEMORANDUMS

| <u>Paragraph</u> | <u>Title/Subject</u>                 |
|------------------|--------------------------------------|
| 1.0              | Map of City Owned Property           |
| 2.0              | Landfill Gas Data Summary Memorandum |

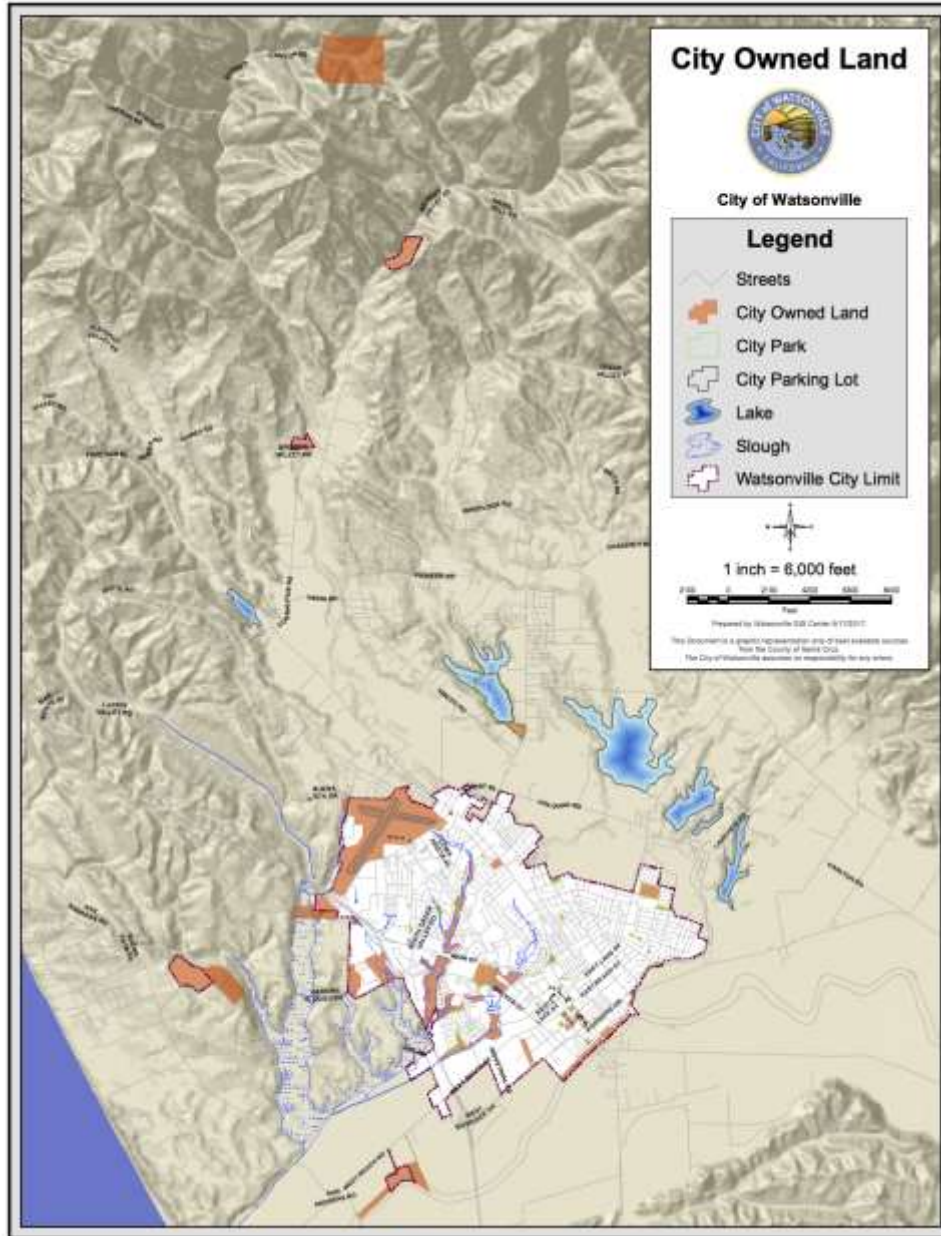


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### 1.0 Map of City Owned Property





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### 2.0 Landfill Gas Data Summary Memorandum

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## MEMORANDUM

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### Landfill Reusable Energy Potential Specifications

Watsonville Landfill, Watsonville, CA

July 31, 2013

The City of Watsonville Landfill is located at 730 San Andreas Road, Watsonville. It is adjacent to the County of Santa Cruz Buena Vista Landfill, which is accessed by Buena Vista Drive, Watsonville. The City Landfill consists of a 25 acre closed area referred to as Phases I/II. Phases I/II were used for municipal solid waste disposal from the early 1960's up until 1996. In 1996, the City opens the new lined 7-acre area referred to as Phase III. Phase III is scheduled for closure starting in 2019. These various phases offer substantial acreage potential for solar energy production.

Since 1997, the County of Santa Cruz has been utilizing the landfill gas produced from the City of Watsonville landfill at its Buena Vista landfill to generate electrical power for the City of Palo Alto. A landfill gas collection system extracts gas from the closed Phase I/II area as well as the active Phase III area. A pipeline runs from the City's gas collection system over to the County's cogen facility. The City and County have a formal agreement for this arrangement.