

STATE OF VERMONT



REQUEST FOR PROPOSALS FOR A FISCAL AGENT

STATE OF VERMONT REQUEST FOR PROPOSALS

FISCAL AGENT

RFP RELEASED ON October 16, 2009

PROPOSAL DUE DATE: November 6, 2009, 2 pm

This RFP is issued by:

**The State of Vermont
Public Service Board**

**Proposals must be delivered to:
Brenda Chamberlin, Business Manager
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701**

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I. INTRODUCTION

A. Purpose of this Request for Proposal

The State of Vermont Public Service Board ("PSB" or "the Board") is releasing this Request for Proposals ("RFP") to solicit responses from parties interested in providing the services of a Fiscal Agent ("FA").

The primary role of the FA will be to financially manage for the Board the funds collected via a wires charge, known as the Energy Efficiency Charge, that the Board has created pursuant to 30 V.S.A. § 209(d)(3). This will be a fiduciary relationship in which the FA will receive, distribute and account for funds. The monies collected from electric ratepayers through the Energy Efficiency Charge will fund energy efficiency programs to be delivered by the Vermont Energy Efficiency Utility ("EEU"). The EEU is an independent organization under direct contract with the Public Service Board to refine, implement, redesign, and develop energy efficiency programs for Vermont electric utility ratepayers throughout the state of Vermont.¹ The FA will be required to provide the Board with financial statements and accounting reports for the funds collected via the wires charge on a monthly and annual basis.

The Fiscal Agent must be an individual or firm that is not affiliated with the EEU, Vermont electric or gas utilities, another agency of the State of Vermont, or any entity providing power to Vermont's distribution utilities. Vendor qualifications should include experience in the management of multimillion dollar budgets, fund accounting and reconciliation processes.

B. Organizational Structure

The **Vermont Public Service Board** is a quasi-judicial body responsible for supervising the rates, quality of service and overall financial management of Vermont utilities. The Board also seeks to promote state utility policies that best serve the long-term interest of Vermont utility ratepayers with the goal of the provision of high quality public utility service in Vermont at the lowest present-value life-cycle cost, including environmental and economic costs.

The **Vermont Department of Public Service** ("Department" or "DPS") is responsible for performing the State of Vermont's energy planning and public advocacy. It is an executive branch agency independent of the Board and participates as the public advocate in proceedings before the Board. Traditionally, it has been involved in the proposal of energy policy, advocacy for energy efficiency programs, and review of the energy efficiency program performance of Vermont utilities and the EEU.

The **EEU** is under contract to the Board to refine, implement, redesign, and develop energy efficiency programs for Vermont electric utility ratepayers. In addition, the EEU interacts with other organizations including state agencies, Vermont electric utilities, the Vermont Legislature (in response to specific legislative requests) and national and local energy efficiency organizations.

The **City of Burlington Electric Department** ("BED") delivers EEU services within its service territory. Monies collected from electric ratepayers in BED's service territory through the Energy Efficiency Charge are distributed to BED to implement EEU services.

The **Contract Administrator** ("CA") is an independent contractor to the Board who assists the Board with the administration of the contract with the EEU. Among other items, the CA: (1) reviews the EEU's

1. Vermont Energy Investment Corporation ("VEIC") was selected via a competitive bidding process to serve as the EEU contractor for the period of January 1, 2006 through December 31, 2008. The Board extended the contract with VEIC for three years through December 31, 2011.

compliance with the terms of its contract with the Board; (2) reviews and approves EEU monthly invoices; (3) reviews monthly, quarterly, and annual reports by the EEU and the Fiscal Agent; (4) acts as a mediator regarding disputes and/or complaints about the EEU; and (5) maintains regular communication with the EEU and the FA.

C. Project History/Background

The EEU began operations on March 2, 2000. Its latest Annual Report, for 2008, is included as **Attachment A**. Its Annual Plan, for 2008–2009, is included as **Attachment B**. These documents will provide vendors with considerable information regarding the scope of the EEU's operations. It is expected that the same markets will be served by the the EEU for the period of 2009-2011, although the specific services provided may change. In addition, as a result of more recent statutory changes, the EEU is providing some process and heating fuel efficiency services.

The EEU, the CA, and the Fiscal Agent were originally established according to the terms of a Memorandum of Understanding ("MOU") between the DPS and Vermont's electric utilities in Docket 5980. This MOU was approved by the Board in its entirety, and still provides vendors with substantial information regarding the FA's expected responsibilities and relationships with the Board, the DPS, and Vermont electric utilities. The Board Order approving the MOU (which includes the MOU as an Attachment) is included as **Attachment C**.²

In September 2008, the Board opened an investigation into the structure of the EEU and recently conducted technical hearings. The Board's Order opening the investigation is included as **Attachment D** to provide vendors with background information. Prior to opening the investigation, the Board convened a Working Group to consider changing the EEU's current contract-model structure. The Working group held workshops over an eleven-month period and the participants produced a document entitled "A Draft of a Recommendation for a New Energy Efficiency Utility Structure," which is included as **Attachment E**. As explained in the Order opening the investigation, the Draft Recommendation served as the starting point for the Board's investigation. The FA will be expected to assist the Board in the transition to a new EEU structure should the Board adopt one. More information on the Board process on restructuring the EEU can be found on the Board's website at <http://psb.vermont.gov/docketsandprojects/eeu/7466>.

Pursuant to 30 V.S.A. § 209(d)(4), the Board is required to establish a process by which certain large volume customers may self-administer energy efficiency measures through the use of an energy savings accounts. The Board is required to make such a program available to customers by December 31, 2009. The Board is working with stakeholders to implement the new program. On August 12, 2009, the DPS filed its proposal for an Energy Savings Account program, including eligibility criteria, available funding, implementation protocols, and other fundamental aspects.

D. Vendor Requirements

The following requirements are mandatory and are provided to assist vendors in their decisions to respond to this RFP.

2. The MOU is supplemented by additional bilateral agreements between the DPS and other parties to Docket No. 5980. Copies of these bilateral agreements are included in the Board's Order approving the MOU.

1. Upon selection, vendors must become independent of any Vermont electric or gas utility, any state agency, any entity providing power to Vermont's distribution utilities, or any entity that may work under contract to the EEU. (See MOU, Page 2, Section 5.a.)
2. The contract resulting from this Request for Proposals will adhere to the State of Vermont's Customary State Contract Provisions provided in **Attachment H**, except that, due to the FA's financial responsibilities, the Board is requiring the selected vendor to provide employee dishonesty insurance in addition to the other types of insurance specified in Bulletin 3.5. This employee dishonesty insurance must not exclude principals. Upon the completion of contract execution with the Board, the vendor must acquire this insurance coverage in the amount of at least **\$1,000,000.00** and must provide a copy of the insurance certificate to the State.
3. Vendors must commit to a contract with the State of Vermont for the period of two years, and be available for an average of 8 hours per month.
4. Vendors must have strong fiscal management skills and a thorough understanding of the expected duties.
5. Vendors must have experience performing general accounting duties including tracking receivables and payables, and auditing and reconciling accounts.
6. Vendors must have expertise with Windows operating systems and the capability to store financial records pertaining to the EEU using Windows-based accounting software. A secure backup system is also required.
7. The selected vendor must provide its own equipment, software, office space and materials for this project.

II. FISCAL AGENT DUTIES

The Fiscal Agent's primary responsibility will be to manage funds collected via the Energy Efficiency Charge. The FA's responsibilities will also be to manage funds collected through the EEU's participation in the ISO New England forward capacity market ("FCM") and funds designated for the EEU through Vermont's participation in the Regional Greenhouse Gas Initiative ("RGGI") auction. The FA will report directly to the Public Service Board and will manage these funds under the direction of the Board. In addition, the Fiscal Agent will be responsible for the duties outlined below.

A. Collect Funds from Vermont Electric Utilities

The FA will be directly responsible for collecting the Energy Efficiency Charge and other funds from the twenty Vermont electric distribution utilities, including taking reasonable steps to ensure that the utilities remit payments completely and on a timely basis.³ The FA shall: (1) determine delinquencies; and (2)

3. Payments from utilities are expected to vary from month to month. The last 12 monthly total contributions from Vermont's twenty (20) electric utilities combined have ranged from \$2,279,064 to \$3,166,164. Future monthly totals will fluctuate depending upon any adjustments to the Energy Efficiency Utility program budget.

in the event of an appeal to the Board, provide the utility and the Board with a written summary of the findings and conclusions that led to the delinquency notice.

It may be helpful for vendors to understand how the electric distribution utilities bill the Energy Efficiency Charge to their customers, which is the same amount that they remit to the FA. This is explained in considerable detail in Public Service Board Rule 5.300, which is included as **Attachment F** to this RFP.⁴

B. Manage Funds

The FA will be responsible for investing cash resources collected from the utilities in (1) an FDIC-insured bank account, provided that the balance in that account will not exceed the FDIC-insurance limit; or (2) a bank account in which excess balances are "swept" into government securities on a daily basis under a repurchase agreement, with the repurchase agreement collateralized by a pool of U.S. government agencies or U. S. Treasury notes held at a Federal Reserve Bank.

Note: Vendors' proposals must describe their plans for investing cash resources in bank accounts and other investments.

The FA will accumulate and store data reported by utilities, including revenue data and service information, in a database. The FA will analyze the database to compare current reported data to previously reported data. The FA will make appropriate inquiries of utilities that file returns with unexpected increases or decreases in contributions. The FA will assist utilities with reconciliation of any data-entry errors in financial reporting records.

C. Disburse Funds

The FA will be responsible for disbursing the funds under its control to the EEU, the City of Burlington Electric Department, other distribution utilities, the DPS, newspapers (for advertising Energy Efficiency Charge rates), the independent auditor of the EEU Fund, the triennial independent auditor of the EEU program, the Contract Administrator, other consultants approved by the Contract Administrator, the home weatherization assistance trust fund, the gross receipts tax fund, Customer Credit Net Pay option participants, Energy Savings Account participants, and the FA itself. Disbursements will be made once each month.

Disbursements to the EEU, the City of Burlington Electric Department, other distribution utilities, the DPS, newspapers, the independent auditor of the EEU Fund, the triennial independent auditor of the EEU program, and Customer Credit Net Pay option participants, will be made only after written approval by the Contract Administrator. Disbursements to the Contract Administrator will be made only after written approval by the Board chairman or Board staff designated by the chairman. The dollar amount of disbursements to the home weatherization assistance trust fund will be determined in accordance with 33 V.S.A. § 2503. The dollar amount of disbursements to the gross receipts tax fund will be determined in accordance with 30 V.S.A. § 22. The FA's contract with the Board will specify the

4. It is not expected that vendors understand the technical methodology for calculating the specific Energy Efficiency Charge rates that is set forth in Rule 5.300. As explained in that Rule, the Board will determine those rates. Rather, it is likely that a general understanding of how the Energy Efficiency Charge is billed and the terms governing the payment of the Energy Efficiency Charge by utilities to the FA will be helpful.

necessary documentation and procedures for monthly transfers to the FA's proprietary accounts as compensation for work performed under its contract.

When cash is not sufficient to meet requests for disbursements, the FA will issue pro-rata payments or proportionate payments. The FA will have no responsibility to locate a line of credit or otherwise obtain borrowed funds. The FA will have no responsibility to offer its own credit or property as collateral for a loan.

D. Track Annual Fund Receipts and Disbursements

The Fiscal Agent must track annual receipts and disbursements of wires charges and other related funds utilizing standard fund accounting practices. The FA's accounting system shall allocate disbursements among several categories including core efficiency services (separating out the services delivered by the EEU from those delivered by the City of Burlington Electric Department), administrative costs (separating out the EEU's general administration, information technology, the DPS's monitoring and evaluation, DPS's ISO New England FCM implementation expenses, Vermont System Planning Committee participation expenses, external EEU Fund audit fees, triennial independent audit fees, EEC advertising expenses, other expenses approved by the CA, the Contract Administrator, and the Fiscal Agent), weatherization taxes, and gross receipts taxes. The FA will be expected to monitor receipts and disbursements compared to monthly and annual projected amounts by tracking accounts receivable and payable as well as the funds spent in each category described above.

E. Reporting Requirements

The FA will be required to inform the Board of any significant financial problems as soon as they arise.

The FA must provide the Board and the EEU with monthly and annual reports on the funds under its control. Monthly status reports shall show receipts and disbursements for the previous month, as well as a breakdown of disbursements by the categories outlined in **Section II.D**, and the remaining budgeted amount for each category. Monthly reports will also show: (1) cumulative receipts, by distribution utility, for the fiscal year; (2) cumulative receipts in the fiscal year, compared to budget; (3) cumulative disbursements in the fiscal year, compared to budget; (4) current fund balance; (5) budgeted receipts for the current fiscal year; (6) budgeted disbursements for the current fiscal year; (7) a schedule of net assets that shows the fund's liabilities, including funding set-asides; (8) cumulative ISO New England FCM receipts; (9) cumulative RGGI auction receipts; and (10) disbursements for process and heating fuel energy efficiency services. A sample monthly report including the information the FA must provide the Board is included as **Attachment G**.

Annual reports shall detail receipts and disbursements for the previous calendar year, compare actuals with budgeted amounts, and include any additional information that will assist the Board in its oversight of the Fiscal Agent's management of the EEU funds.

In addition, in September of each year, the FA must provide the Board, the Contract Administrator, and the DPS with a report including (1) distribution utility contributions by contribution rate class for the preceding Energy Efficiency Charge year, and (2) the current Energy Efficiency Charge receipts to date.

F. Independent Audit

The FA will retain an independent accountant to audit its financial reports for each year of operations.⁵ This audit will be provided to the Board, the DPS, and the Vermont State Auditor of Accounts, and will be made available to the EEU and the distribution utilities upon request.

G. Manage Customer-Specific and Competitively Sensitive Information

The FA must develop and maintain systems that provide appropriate protections in the collection, processing, storage and retrieval of information that is customer-specific or could provide an unfair competitive advantage to an entity delivering electricity or services outside of the energy efficiency programs approved by the Board for EEU implementation. The FA will be responsible for managing such systems and, when appropriate, providing the information to its employees as well as to regulators, the Contract Administrator and distribution utilities. Accordingly, the FA must develop and maintain a process with clearly defined standards and safeguards to govern sharing of that information with distribution utilities to ensure customer confidentiality is maintained and entities are not provided an unfair competitive advantage.

H. Coordination with Contract Administrator

The FA will coordinate with the Contract Administrator on an as-needed basis. This will include: (1) responding to the Contract Administrator's requests for information, such as information regarding kWh and kW sales, and rate class revenue reported by Vermont electric distribution utilities to the FA; (2) coordinating regarding the development of new annual distribution utility contribution forms, monthly cash disbursement dates, and possible interim Energy Efficiency Charge rate changes; (3) communicating regarding the selection of the independent auditor, annual independent audit data requests, and necessary coordination with the Vermont State Auditor of Accounts; and (4) asking the Contract Administrator for assistance in resolving disputes.

I. Additional Responsibilities

In addition to the above-mentioned tasks, the Fiscal Agent will be expected to perform several other accounting duties. These duties include, but are not limited to, those listed below:

- Provide current financial statements and account reports at the request of the Board or the Contract Administrator;
- Provide full historical fund reports at the request of the Board or the Contract Administrator;
- Keep a general ledger and up-to-date spreadsheets on projected and actual collections and disbursements;
- Perform bank reconciliations for the EEU Fund accounts; and
- Provide procedures to handle adjustments, voids, and full and partial credits for all accounts.

J. Meeting in Montpelier, Vermont

The FA will be expected to meet with representatives of the Board and the Contract Administrator in Montpelier, Vermont once during the three-year term of the contract.⁶

5. Estimates of the amounts to be paid to independent auditors should not be included in vendors' proposals. See Section III.GF.

6. Labor and travel costs associated with this meeting should be included in vendors' proposals. See Section III.F.

K. Contract Terms

The contract with the FA is expected to begin January 1, 2010, and will last through December 31, 2011, with the Board reserving the option to renew the contract for an additional two years.

The Board reserves the right to cancel the contract with thirty days' notice to the Fiscal Agent. The Fiscal Agent may cancel its contract with the Board with ninety days' notice to the Board. In the event the Board chooses to contract with another vendor to provide the services of the FA at the end of the contract term or upon cancellation of the contract, or in the event that the FA chooses not to renew after the expiration of the two-year contract or elects to exercise its option to cancel the contract, the existing FA must provide reasonable transition assistance to the Board at reasonable rates of compensation. Under no circumstances will the existing FA have any right to compensation for investments or other expenditures that were undertaken pursuant to, or in anticipation of, the extension of the contract.

L. Property Owned by the State

All products of the FA's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, databases, distribution utility contribution sheets, and similar documents or records will be the sole property of the State of Vermont and may not be copyrighted or resold by the contractor. Any equipment purchased by or furnished to the Contractor by the State under this contract is provided on a loan basis only and remains the property of the State.

III. PROPOSAL RESPONSE FORMAT

Vendors are asked to submit one original and six paper copies, and one electronic copy,⁷ of their proposals in the following format:

- Transmittal Letter
- Related Experience\Project Approach
- Staff Qualifications
- References
- Business Organization and Staffing
- Cost Proposal

Proposals should provide a straightforward description of the vendor's capabilities in performing the duties included in this RFP.

A. Transmittal Letter

To be considered, vendor proposals must be accompanied by a transmittal letter signed in ink by a person authorized to bind the vendor in the proposal offerings (refer to **Section V.A.12**). The letter must include a statement that the vendor accepts the standard State of Vermont contract provisions (see **Attachment H**), and the terms, conditions, and stipulated administrative requirements included in this RFP (**Section V.B**).

7. The Board intends to post the electronic copies of bidders' proposals on its website to facilitate review of the proposals by members of the public. Therefore, the electronic copies should *not* include any confidential material. Instead they should include a statement at the place where the confidential material would be located that the confidential material is not included in the electronic copy.

The transmittal letter must include the vendor information listed below:

- Name of Company or Individual
- Mailing Address
- Street Address
- Total Bid Amount
- Name and Title of Company Contact for questions regarding the proposal
- Contact Telephone Number, Address, Fax Number and Email Address

B. Related Experience/Project Approach

Vendors should describe the accounting methods they will utilize in managing the Energy Efficiency Charge and related funds. In addition, Vendors should specifically describe all proposed equipment, including any data processing equipment, accounting software, and electronic backup capability they will use for this project.

Vendors must give a description of their involvement in projects that provide relevant experience directly related to the duties listed in **Section II** of this RFP. Vendors should also describe their experience in the management of complex multimillion dollar budgets and the accounting practices used for such projects.

C. Staff Qualifications

Vendors should provide a complete description of the staff to be involved in this project and include résumés and qualifications of proposed staff who will be directly responsible for the management of the Energy Efficiency Charge and related funds.

D. References

Vendors must provide three references for their business organization and all staff members proposed for this project. Vendors should include name, title and contact information, including telephone numbers, for all references provided.

E. Business Organization

Vendors should provide a brief description of their business organization.

F. Cost Proposal

Vendors should provide not-to-exceed ("NTE") cost proposals for a two-year contract, broken down by calendar year. Cost proposals should be based on an hourly rate for services to be performed under the contract, using the estimated average of 8 hours per month.⁸ If the FA work requirements do not utilize the full 8 hours per month, only actual hours may be billed to the State of Vermont. If the vendor is required to work more than 8 hours per month, it will not be eligible for overtime compensation of any type, and may bill only for the additional hours at its standard quoted hourly rate. Vendors should detail costs for any and all materials not included in this hourly rate.

Vendors' proposals should clearly separate start-up costs (such as software purchases and system development costs) from ongoing operational costs.

8. The Board anticipates the number of hours the FA will work per month may be significantly greater than 8 during the FA start-up.

Vendors' proposals should also include costs (time and travel) associated with one meeting in Montpelier, Vermont during the contract term.

Vendors' proposals should not include an estimate of the amounts to be paid to independent auditors (see **Section II.F**). The cost of the independent audit is separate from the cost of the services to be provided by the FA, and will be paid separately out of the funds collected by the Energy Efficiency Charge.

IV. PROPOSAL EVALUATION

A. Evaluation Process

Vendor proposals will be reviewed by the Public Service Board and the Board staff. Proposals will be evaluated on the following components using a point-based system. These components are not necessarily listed in order of importance or weight, and vendors should be aware that they must provide comprehensive responses in all sections of their proposal.

- Staff Qualifications
- Related Experience
- References
- Cost Proposal

B. Finalists

Generally the vendor with the highest scoring proposal is most likely to be awarded the contract; however, the Board reserves the right to reject any and all proposals, and the final decision to contract with any vendor is at the sole discretion of the Board. Upon the notification of selection as a finalist in the bid for this contract, vendors may be requested to negotiate certain aspects of their proposals. In addition, vendors should be prepared to give an oral presentation/interview upon the request of the Public Service Board.

V. STIPULATED ADMINISTRATIVE REQUIREMENTS

A. Vendor Instructions

(1) Conformity to Instructions

Vendors must conform with all RFP instructions and conditions when responding to this RFP. The State of Vermont, at its discretion, may reject any nonconforming vendor proposal or response.

(2) Proposal Responses to this RFP

Vendors desiring to participate in this RFP must submit proposal responses with the format and content as outlined.

(3) Vendors Not Submitting Proposals

Vendors provided a copy of this RFP who decide not to offer a proposal to the State are asked to submit a negative reply to verify their receipt and consideration of this RFP.

(4) Identifying RFP Communications

All proposals and other communications with the Board regarding this RFP must be submitted in writing in sealed envelopes clearly identifying the RFP title, the contact name and address of the vendor, and an indication of the envelope contents (e.g., BID, NEGATIVE RESPONSE, or QUESTIONS). Any material received that does not indicate the RFP-related content may be opened as general mail.

Proposals and related correspondence must be addressed to the attention of:

**Brenda Chamberlin, Business Manager
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701**

(5) Vendor Questions and State Replies

The Vermont Public Service Board will reply to any *written* vendor questions received no later than the close of business on Friday, October ??, 2009. Communications should be clearly identified in accordance with **Section V.A.4** above.

Vendor Questions should be addressed to the attention of:

**Brenda Chamberlin, Business Manager
Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701**

A copy of all pertinent questions and their replies will be distributed to any vendor who has requested to be included on the RFP mailing list. Because of the short time period between the final date for questions and the proposal due date, vendors who provide email addresses will receive a copy of all pertinent questions and replies via email.

(6) Acceptance of Stipulated Administrative Requirements

Vendor proposals must include unequivocal statements accepting the stipulated administrative requirements of this RFP (**Section V.B**), and must reflect compliance with such requirements. Any failure to do so may result in the State's rejection of the proposal or portion thereof.

(7) Deviating From RFP Specifications

The State of Vermont may reject any vendor's proposal, or portion thereof, reflecting significant deviation from the specifications of this RFP. Vendors submitting proposals with any minor deviations must identify and fully justify such deviations for State consideration.

(8) Exclusion of Taxes From Prices

The State of Vermont is exempt from the payment of excise and sales taxes imposed by the Federal Government and/or the State. Vendors remain liable, however, for personal property taxes levied by municipalities upon any and all property leased to the State.

(9) Proposal Copies

Any vendor responding to this RFP is required to submit one (1) original and six (6) paper copies of the proposal. Pages should be numbered for ease of reference, and be typed on 8 ½ x 11-inch paper. All copies of the proposal, other than the original, should be submitted copied on both sides of the paper as required by the State of Vermont. In addition, vendors must submit one electronic copy of the proposal,⁹ suitable for posting on the Board's website (in other words, confidential material should *not* be included in the electronic version). **Telefax submissions will not be accepted. Electronic submissions alone (without the required number of accompanying paper copies) will not be accepted.**

(10) Vendor Contacts

The proposal should provide the name, title, address, telephone number, FAX number and email of the vendor contact person(s) responsible for clarifying proposal content and for approving any agreement (or agreement amendment) with the State of Vermont.

(11) Vendor References

Vendors must provide at least three customer references which reflect similar project experience. References should include current contact name, telephone number and location.

(12) Validation of Proposal Offerings

The State considers proposals as binding commitments which the State may include by reference into any agreement with a vendor. Therefore, each vendor's proposal must be validated by the signature of a person having such authority to commit the company, and the signer's authority in this regard must be authenticated by a signed statement to that effect by an appropriate high-level company official. (Refer to **Section III.A**)

(13) Proposal Completeness

To be acceptable, proposals must contain all required information and statements in the format requested by this RFP. Vendor proposals must submit "no" or "not applicable" responses to any RFP question or information request, when such a response is appropriate.

B. RFP Conditions

(1) Amendment or Cancellation of RFP

The Board reserves the right to amend or cancel this RFP at any time if, in the Board's sole judgment, the best interest of the State requires such action.

(2) Proposal Modifications

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by the State.

(3) RFP Events and Timing

The timing and sequence of events resulting from this RFP will be determined by the State of Vermont. The schedule is planned as follows; vendor contacts will be notified of any amendment to this schedule during the RFP process.

9. The electronic copy may consist of multiple electronic files.

October 16, 2009	RFP Released
October 23, 2009	Final Questions Due
November 6, 2009	Proposals Due

(4) Proposal Expenses

The State of Vermont assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

(5) Acceptance or Rejection of Proposals

The State reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part, and to waive technical defects, irregularities or omissions, if, in its sole judgment, the best interest of the State will be served.

(6) Ownership of Proposals

All proposals submitted in response to this RFP will become the sole property of the State of Vermont.

(7) Oral Agreements and Arrangements

Any alleged oral agreement or arrangement made by a vendor with any State agency or employee will be disregarded in any State proposal evaluation or associated award.

(8) Vendor Presentation of Supporting Evidence/Surety

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that the State deems necessary to fully establish the performance capabilities represented in their proposals.

(9) Vendor Demonstration of Proposed Services

Vendors may be asked to demonstrate specific proposed services or products including program components, software and hardware included in their responses. Any requested demonstration will be provided at a site approved by the State of Vermont and without cost to the State.

(10) Vendor Misrepresentation or Default

The State reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any State contract.

(11) State Fiscal and Performance Requirements

Any product acquisition resulting from this RFP must be contingent upon contractual provision for cancellation of such acquisition, without penalty, if the applicable funds are not available for required payment or if the product fails to meet the minimum State criteria for acceptance.

(12) Conformance of Awards with State Statutes

Any award resulting from this RFP must be in full conformance with State of Vermont statutory requirements.

(13) Erroneous Awards

The State of Vermont reserves the right to correct inaccurate awards resulting from its clerical errors.

(14) Public Records

Vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting therefrom, including those from the Board, the office of the Attorney General of the State of Vermont, and the office of the Vermont Secretary of State, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

The Board does not favor the filing of proprietary information in this context. In particular, the Board does not anticipate that price or rate information will be deemed proprietary. If a vendor believes it necessary to include allegedly confidential material in a bid, **all such materials must be submitted in a separate sealed envelope and marked "CONFIDENTIAL."**

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of its proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above-cited statute. Applicants must understand and agree that final discretion to release or exempt any or all material so identified rests with the Board, and that a Board decision to exempt any information may be subject to judicial review.

All bids submitted in response to this RFP will be open for public review, except as specifically noted immediately above. Any interested person or party may review those bids at the Board's office between the hours of 9:00 AM and 4:00 PM.

(15) Offer of Gratuities

The vendor warrants, represents and certifies that no elected or appointed official or employee of the State of Vermont has benefited, or will benefit, financially or materially from this procurement. Any contract and/or award arising from this RFP may be terminated by the State if it is determined that gratuities of any kind were either offered to, or received by, any of the aforementioned officials or employees from the vendor, the vendor's agent or the vendor's employees.

(16) Business Registration

The selected vendor must acquire a valid business registration from the Vermont Secretary of State's Office upon notification of a contract award.

(17) Vermont Tax ID Number

A Vermont business account tax number is required for contractors if the contractor is a corporation or if the contractor, under whatever form of business, has employees who are subject to federal income tax withholding and who perform their services within the State of Vermont. Contracts cannot be executed without a Vermont Tax ID Number.

(18) Joint Ventures

Proposals that request joint ventures between vendors will not be accepted. The State will only enter a contract or award with a prime contractor who will be required to assume full responsibility for the delivery of contracted services outlined in this RFP.

(19) Readiness of Offered Products

All products and services offered in vendor responses to this RFP, including computer software, hardware and program products must be currently manufactured and available for general sale, lease or license on the date the proposal is submitted.

(20) Inspection of Work Performed

During and after the commencement of this project, the State of Vermont, and its authorized representatives, shall be allowed access to inspect all contractor materials, documents, work papers, equipment and products, deliverables, or any such other items which pertain to the scope of work for this RFP and contract. This requirement also applies to any subcontractors who may be engaged by the vendor.

(21) Collusion

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

VI. ATTACHMENTS

Note: The following items in Attachments A through G are available on the Board's web page at <http://psb.vermont.gov/projects/EEU/rfpsandcontracts>. The Board will make hard copies of these attachments available only to those vendors who request them. Please contact the PSB Clerk's office at 802/828-2358 to make such a request. Attachment H is included with this document.

Attachment A:

The EEU's 2008 Annual Report

Attachment B:

The EEU's 2009 and 2011 Annual Plan

Attachment C:

The Board's 9/30/99 Order in Docket 5980 (including Memorandum of Understanding and associated bilateral agreements)

Attachment D:

Public Service Board's Order Opening an Investigation into the Structure of Vermont's Energy Efficiency Utility

Attachment E:

A Draft of a Recommendation for a New Energy Efficiency Utility Structure

Attachment F:

Public Service Board Rule 5.300 – Energy Efficiency Charge Methodology

Attachment G:

Sample Monthly Report

Attachment H:

State of Vermont, Attachment C - Standard State Contract Provisions