

REQUEST FOR PROPOSALS

Alternative Energy Credits Administrator

ISSUING OFFICE

Pennsylvania Public Utility Commission

Bureau of Technical Utility Services

RFP-2015-2

DATE OF ISSUANCE

May 15, 2015

REQUEST FOR PROPOSALS FOR
Alternative Energy Credits Administrator

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CALENDAR OF EVENTS

The Commission will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to the Issuing Officer Darren D. Gill at dgill@pa.gov .	Potential Proposers	May 29, 2015
Proposer's Conference in Executive Chambers, Third Floor, Commonwealth Keystone Building, 400 North St., Harrisburg PA 17120. The Issuing Officer will take questions.	Both	June 10, 2015 1 p.m.
Answers to all Potential Proposer questions posted to the Commission website no later than this date at http://www.puc.state.pa.us/contact_us/request_for_proposals.aspx	Issuing Office	June 22, 2015
Please monitor website for all communications regarding the RFP on an ongoing basis. http://www.puc.state.pa.us/contact_us/request_for_proposals.aspx	Potential Proposers	Ongoing
Sealed proposal must be received by the Issuing Office at address indicated in Section I-11 by <u>3 p.m.</u>	Proposers	July 9, 2015 <u>3 p.m.</u>

PART I

GENERAL INFORMATION FOR THE CONTRACTOR

I-1. PURPOSE. This Request for Proposals (“RFP”) provides interested potential Contractors (also “Proposers”) with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Public Utility Commission (“Commission” or “PUC”) to select the Alternative Energy Credits Administrator (“AEC Administrator” or “Contractor”).

I-2. ISSUING OFFICE. This RFP is issued by the Pennsylvania Public Utility Commission’s Bureau of Technical Utility Services (“Issuing Office”). The Contract is between the Commission and the Contractor, and the final selection, control and approval for payment of the Contractor is to be made by the Commission. The sole point of contact in the Commonwealth for this RFP shall be the Issuing Officer for this RFP, Darren D. Gill, Deputy Director of the Bureau of Technical Utility Services, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265, telephone number (717) 783-5244, and email dgill@pa.gov. Please refer all inquiries to the Issuing Officer.

I-3. ESTIMATED BUDGET. The Commission estimates the budget for this Contract as follows for the purpose of aiding in the submission of Proposals. This estimate is not meant to establish cost “minimums or maximums.”

Estimated budget: No estimated budget

I-4. PROBLEM STATEMENT. The Commission seeks to retain the services of a contractor who will perform certain functions necessary for the implementation of the Alternative Energy Portfolio Standards Act of 2004, as amended (“AEPS Act” or “Act”)¹. These functions include:

- The verification of electric distribution company (“EDC”) and electric generation supplier (“EGS”) compliance with the minimum portfolio requirements of the Act, and the reporting of compliance to the Commission.
- The calculation of EDC and EGS Tier I requirements on a quarterly basis.
- The review and determination of eligibility of applications for alternative energy system status, based on guidance provided by DEP.
- Certifying that EDCs and EGSs use only valid alternative energy credits for compliance with the Act.
- The verification of small solar customer-generator alternative energy system generation output data.
- Approving, tracking and verifying alternative energy credits created by energy efficiency and demand response measures.
- Providing support services to customer-generators.

¹ 73 P.S. §§ 1648.1-1648.8 and 66 Pa.C.S. § 2814.

- The tracking and reporting of alternative energy credit prices to the Commission.
- Provide to the Commission, as needed, EGS credit obligation information prior to the end of the compliance year for situations related to the bonding requirements.
- Assisting DEP with confirming environmental certification by supplying DEP with annual recertification data for each registered AEPS facility.
- The calculation of the solar photovoltaic (PV) alternative compliance payment.
- The calculation of alternative compliance payment amounts for EDCs and EGSs.
- Providing various reports to the Commission and DEP documenting compliance with and costs associated with implementation of the Act.

I-5. TYPE OF CONTRACT. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a contract containing the proposed contract Terms and Conditions as shown in the Draft Contract found at Appendix D. This RFP and all exhibits, appendices, addenda, and other attachments thereto, and the Proposal of the Proposer who is awarded the contract and all exhibits, appendices, addenda, and other attachments thereto, are incorporated into the contract by reference.

Total payments under this contract will not exceed the total cost quoted in the proposal. The total cost may be exceeded only upon written Commission approval prior to such additional expenses being incurred.

I-6. REJECTION OF PROPOSALS. The Commission reserves the right to reject any and all proposals or portions thereof received as a result of this RFP, when it is in the best interest of the Commission. The Issuing Office, in its sole discretion, may undertake negotiations with Proposers whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.

I-7. INCURRING COSTS. The Commission is not liable for any costs incurred by Proposers prior to issuance of a Contract. The Proposer shall not begin compensable work until so notified by the Commission's Project Officer.

I-8. PRE-PROPOSAL CONFERENCE. The Issuing Office will hold a Pre-proposal Conference as specified in the Calendar of Events. The purpose of this conference is to provide opportunity for the Proposers to ask questions to clarify the RFP. Proposers may also submit written questions prior to the Pre-proposal Conference in accordance with Part I, Section I-9. Proposers may also ask questions at the Pre-proposal Conference. Any verbal responses furnished during the conference will not be binding until they have been verified, in writing, by the Issuing Office. All questions and written answers will be posted on the PUC website at http://www.puc.state.pa.us/contact_us/request_for_proposals.aspx by the date stated in the Calendar of Events and will become an addendum to, and shall become part of, this RFP and the Contract. Prospective Proposers can attend the Pre-proposal conference by teleconference. Please submit a request for the teleconference information to the Issuing Officer in accordance with Part I, Section I-9. Attendance at the pre-proposal conference, either in person or by teleconference, is mandatory.

I-9. QUESTIONS & ANSWERS. If a Proposer has any questions regarding this RFP, the Proposer must submit the questions by email (with the subject line "RFP-2015-2 AEC

Administrator RFP Question”) to the Issuing Officer no later than the date indicated in the Calendar of Events. The Proposer shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the PUC website by the date stated in the Calendar of Events.

All questions and responses as posted on the PUC website are an addendum to, and part of, this RFP and the Contract and are hereby incorporated herein by reference. Each Proposer shall be responsible to monitor the PUC website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. Questions do not constitute a protest of the RFP. The required protest process for Commonwealth procurements is described on the Department of General Services (“DGS”) website at www.dgs.state.pa.us.

I-10. ADDENDA TO THE RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the PUC website. It is the Proposer’s responsibility to periodically check the PUC website for any new information or addenda to the RFP. Answers to the questions asked during the Question & Answer period also will be posted to the website as an addendum to the RFP.

I-11. RESPONSE DATE. To be considered, the proposal or any addendum thereto must arrive at the Issuing Office on or before the time and date specified in the Calendar of Events via the appropriate address listed below.

U.S. Mail First Class Delivery Address

Darren D. Gill, Deputy Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Overnight Delivery Service Address

Darren D. Gill, Deputy Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
3rd Floor West, Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Proposers delivering proposals by any form of delivery service should allow for delivery time to insure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be sent is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise

notifies Proposers. The hour for submission of proposals shall remain the same. **Proposals received after the time and date specified in the Calendar of Events will be rejected, unopened, and not considered regardless of the reason for the late submission.**

I-12. PROPOSALS. To be considered, Proposers must submit a complete response to this RFP, using the format provided in Part II. No other distribution of proposals will be made by the Proposer. Proposals must be signed by an official authorized to bind the Proposer to its provisions. For this RFP, the proposal must remain valid for at least 120 days. Moreover, except as otherwise noted herein, the contents of the proposal of the selected contractor will become contractual obligations of the contractor if a contract between the Commission and the successful contractor is entered into. Notwithstanding anything herein to the contrary, if the winning Proposal conflicts with the terms and conditions of the fully executed and approved written contract between the Commission and the successful Proposer, the following order of precedence shall apply: 1. Contract (including the RFP); 2. Proposal.

If the Issuing Office selects the Proposer's proposal for award, the contents of the selected Proposer's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations. The information in the proposal will become a public record upon contract execution.

Each Proposer submitting a proposal specifically waives any right to withdraw or modify it, except that the Proposer may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. A Proposer or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. A Proposer may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

The proposal should set forth broadly, but concisely, the work that will be undertaken in response to the requirements in Part IV of this RFP. It should be specifically tailored to the tasks indicated and should be in sufficient depth to afford the Commission a thorough understanding of your work plan.

I-13. SMALL DIVERSE BUSINESS INFORMATION. The Issuing Office encourages participation by small diverse businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use small diverse businesses as subcontractors and suppliers.

A Small Diverse Business is a DGS-verified minority-owned business, woman-owned business, veteran-owned business or service-disabled veteran-owned business.

A small business is a business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Small Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: gs-bsbo@pa.gov
Website: www.dgs.state.pa.us

The Department's directory of BSBO-verified minority, women, veteran and service disabled veteran-owned businesses can be accessed from: [Searching for Small Diverse Businesses](#).

I-14. PRIME CONTRACTOR RESPONSIBILITIES. The prime contractor ("Contractor") will be required to assume responsibility for all services offered in its proposal including those of any subcontractors. Further, the Commission will consider the prime contractor to be the sole point of contact with regard to contractual matters.

I-15. ECONOMY OF PREPARATION. The proposal should be a straight-forward, concise description of the Proposer's ability to meet the requirements of the RFP.

I-16. ALTERNATE PROPOSALS. The Issuing Office has identified the basic approach to meeting its requirements, allowing Proposers to be creative and propose their best solution to meeting these requirements. However, in order to allow for evaluation of the proposals, the Issuing Office will not accept alternate proposals that do not satisfy the stated work requirements.

I-17. DISCUSSIONS FOR CLARIFICATION. Proposers who submit a proposal may be required to make an oral or written clarification of their proposal to the Commission's Technical Evaluation Committee to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. Only the Issuing Office may initiate requests for clarification.

I-18. NEWS RELEASES. Proposers shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-19. RESTRICTION OF CONTACT. From the issue date of this RFP until the Commission selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Proposer's proposal. If the Issuing Office later discovers that the Proposer has engaged in any violations of this condition, the Issuing Office may reject the offending Proposer's proposal or rescind its contract award. Proposers must agree not to distribute any part of their proposals beyond the Issuing Office. A Proposer who shares information contained in its proposal with other Commonwealth personnel and/or competing Proposer personnel may be disqualified.

I-20. COPIES OF PREVIOUS WORK. Proposers who submit proposals must, as necessary, provide copies of recent previous relevant work products for review by the staff. These work products should be submitted at the same time as the proposal and may be redacted, as necessary, to preserve confidentiality.

I-21. DISCLOSURE OF PROPOSAL CONTENTS.

- A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Proposer's submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Proposers should not label proposal submissions as confidential or proprietary or trade secret protected. Any Proposer who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Proposer copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. If financial capability information is submitted in response to Part II of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-22. DEBRIEFING CONFERENCES. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed if such request is made within seven days after the Proposer is notified of the award of the contract. A request for debriefing will not alter the deadline for filing a Protest. The Issuing Office will schedule the time and location of the debriefing. A Proposer's exercise of the opportunity to be debriefed does not constitute the filing of a protest.

I-23. TERM OF CONTRACT. The term of the contract will commence on the Effective Date, which date shall be fixed by the Issuing Office after the contract has been fully executed by

the Proposer and the Commission and all approvals required by the Commonwealth contracting procedures have been obtained. The selected Proposer shall not start the performance of any work prior to the Effective Date of the contract and neither the Commission nor the Contracting Officer shall be liable to pay the selected Proposer for any service or work performed or expenses incurred before the Effective Date of the contract.

The initial term of the Contract will be from Effective Date of the Contract until December 31, 2018, with the option of a one-year extension from January 1, 2019 unto December 31, 2019 and then another one-year extension from January 1, 2020 until December 31, 2020. The extension options will be exercised solely at the Commission's discretion. The extension options are separate and apart from the Commission's rights to terminate the contract as provided in the Contract in Part III, Section D "Termination."

Contractors should submit bids for the entire period from October 1, 2015 (the anticipated Effective Date of the Contract) through December 31, 2020.

If a Proposer's proposal is accepted, the Proposer is obligated to provide services for the entire contract term, including the extension period, unless notified by the Commission that no extension will be given. The Commission will notify the Contractor of its decision whether to exercise its extension option, in writing, by December 1, 2018 for the first one-year extension, and by December 1, 2019 for the second one-year extension.

I-24. COMMISSION PARTICIPATION. A Project Officer will be designated by the Commission to coordinate the activities of the contractor with the Commission to insure satisfactory and timely performance of the contract when awarded. The Commission's Project Officer will be the Deputy Director of the Bureau of Technical Utility Services, who also acts as the Issuing Officer for this RFP. The Project Officer or his/her designate(s) will be the sole source of contact for the Contractor in any discussions with the Commission.

The Commission's staff will take an active part in the Contractor's work and the Proposer should be prepared to work with Commission Staff throughout the course of the Project. The Commission will rely upon its staff to answer various questions from time to time about the Contractor's work. It will be necessary, therefore, that the Commission's staff be closely involved in the work of the Contractor. This will include attending meetings, reviewing analytical procedures, and monitoring the Contractor's progress as to scope, budget, work plans, time, etc. In any event, it is expected that the individuals assigned to each task area will frequently discuss his/her progress informally and directly with the Commission's Project Officer or his/her designate(s). The Proposer's willingness to work with the Commission's staff in the described manner is a material obligation of the Contract and should be explicitly stated in the proposal.

I-25. PROPOSER'S REPRESENTATIONS AND AUTHORIZATIONS. Each Proposer, by submitting its proposal, understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa.C.S. § 4904, relating to unsworn falsifications to authorities.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal. In this regard, the Proposer must complete and execute the Noncollusion Affidavit, attached hereto as Appendix A, and submit it with the Proposer's proposal. **Failure to file a Noncollusion Affidavit with the Proposer's proposal may result in the proposal being disqualified.**
- f. To the best knowledge of the person signing the proposal for the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then

it shall submit along with its proposal a written explanation of why such certification cannot be made.

- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Pennsylvania Public Utility Commission information related to the Proposer's liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.
- k. Until the selected contractor receives a fully executed and approved written contract from the Issuing Office there is no legal and valid contract, in law or in equity, and the contractor should not begin to perform.

I-26. NOTIFICATION OF SELECTION. The Issuing Office will notify the selected Proposer of its selection for negotiation after the Commission has approved the selection, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Commission.

I-27. RFP PROTEST PROCEDURE. The RFP Protest Procedure is on the DGS website at <http://www.dgsweb.state.pa.us/comod/ProtestProcedures.doc>. A protest by a party who did not submit a proposal must be filed within seven (7) calendar days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than seven (7) days after the proposal submission deadline specified in the RFP Calendar of Events. Proposers who did submit a proposal may file a protest within seven (7) calendar days after the protesting Proposer knew or should have known of the facts giving rise to the protest. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office as provided in Section I-11.

I-28. PAYMENT. Payment will be monthly. Contractor will submit invoices to the Project Officer for incurred expenses of the past month on the fifteenth of the month. Contractor may not bill for expenses that have not been incurred. Indicating expenses in the manner of the tasks or groups of tasks that were put forth in the Proposal, Invoices will itemize the employees who worked during the month, their hours and billable rates, as well as itemizing travel, lodging, and meal expenses. Materials and other expenses exceeding \$250 will be itemized; remaining expenses need not be itemized. Along with monthly invoices, Contractor shall also provide monthly a statement of the cash flow position for each task or group of tasks, indicating the amount spent to date and the amount of the Contractor's budget remaining for each task or group of tasks.

Upon receipt of Contractor's invoices, the Project Officer will review the claimed expenses within 30 days and shall notify the Contractor in writing of the approved expenses. The Commission shall then direct the Comptroller to make payment directly to the Contractor for the approved expenses.

I-29. MINIMUM QUALIFICATIONS.

Proposers must have at least the following

qualifications to be considered for selection:

- Key staff members must have demonstrated experience in performing work similar to the work stated in Section IV “Work Statement”.
- Demonstrated organizational, financial, data tracking and reporting abilities that will adequately support the work load and demands associated the Project.
- Demonstrated sufficient infrastructure, history and experience to handle the required work and manage sub-contractors, if applicable.

I-30. KEY PERSONNEL.

Contractor agrees to notify the Commission at least 30 days in advance of a change in personnel used by the Contractor to perform Contract work, including changes in personnel at any subcontractors. Commission reserves the right to require Commission approval of changes in the Contractor’s key personnel. Changes in key personnel should also include a transition period of appropriate length to ensure continuity of operations.

PART II
INFORMATION REQUIRED FROM PROPOSERS

Proposer must submit their Proposals in the format, including heading descriptions, outlined below. Prepare consecutively numbered pages with index tabs for each section outlined below. To be considered, the Proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. **All (1) monetary amounts indicating costs relating to this Proposal and (2) all Disadvantaged Business data should be kept separate from and not included in the Technical Submittal, as indicated below.** Each proposal shall consist of three (3) separately sealed submittals. The submittals are as follows:

- a) **Technical Submittal**, which includes the following: the technical portion of the proposal (9 copies), in response to Sections II-1 through II-5 and II-8 and II-9 hereof, the Noncollusion Affidavit (1 copy) in response to Section I-25 hereof, and prior work samples (1 copy) in response to Section I-20 hereof;
- b) **Small Diverse Business Submittal** (2 copies), in response to Section II-6 hereof (in a separately sealed envelope); and
- c) **Cost Submittal** (4 copies), in response to Sections II-8 and II-9 hereof (in a separately sealed envelope, separate from the disadvantaged business sealed envelope).

In addition to the paper copies of the technical portion of the proposal, Proposers shall submit one complete and exact copy of the technical proposal on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format, or in Adobe pdf format.

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the contract.

The Issuing Office may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Issuing Office. The Issuing Office reserves the right to reject any Proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Issuing Office that such Proposer is properly qualified to carry out the obligations of the contract and to complete the work specified.

Technical Submittal

II-1. SECTION 1: STATEMENT OF THE PROBLEM. State in succinct terms your understanding of the problem presented or services required by this RFP.

II-2. SECTION 2: MANAGEMENT SUMMARY. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. SECTION 3: WORK PLAN. The work plan to provide the work described in Section IV “Work Statement”. Task descriptions are to be the guide in your technical plan for accomplishing the work. Provide your work plan in terms of the tasks indicated in the scope of work. Your work plan for each task should be in sufficient depth to afford the Commission a thorough understanding of your work plan for that task. You may group individual tasks into larger groups of tasks in each Phase as long as it is clear which tasks are being grouped together. A written description of how you propose to document the information that will be generated/collected during your work must also be included. The work plan should list the employees and their anticipated work hours for each task or group of tasks, but **not include their billable rate, as cost information is to be provided separately** (See II-8). Please pay particular attention to indicating the leadership/project management staff, and ensure that adequate project management staff is provided.

II-4. SECTION 4: PRIOR EXPERIENCE. Submit a statement of similar work conducted by the Proposer. Work completed in the previous five (5) years will carry greater weight than older work. This would also apply to any subcontractors. Prior work experience should be similar work done by individuals who will be assigned to this project and/or similar projects completed by your firm. Projects referred to should be identified and the name of the client shown, including the name, address, email and phone number of the responsible official of the client, company or agency who may be contacted. Copies of prior work reports and deliverables may be also submitted.

II-5. SECTION 5: PERSONNEL. Include the names and titles of all personnel, including personnel employed by any subcontractors, – executive, professional, management analysts, systems analysts, auditors, staff consultants, subcontractors, etc., - that will be engaged in the work and the services they will perform. Please pay particular attention to indicating the leadership/project management staff, and ensure that adequate project management staff is provided. You must include a resume indicating their education and specific experience/role(s) in performing similar work (especially work relating to alternative/renewable energy credit administration). In addition, leadership personnel employed by the "finalist" shall be subject to personal interviews by Commission staff, if requested. These interviews would be conducted at the Commission offices in Harrisburg prior to the final selection of a contractor.

Disadvantaged Business Submittal

II-6. SMALL DIVERSE BUSINESS PARTICIPATION SUBMITTAL.

- A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, as indicated below:

A Small Diverse Business verified by BSBO as a Small Diverse Business must provide a photocopy of its DGS issued certificate entitled “Notice of Small Business Self-Certification and Small Diverse Business Verification” indicating its diverse status.

B. In addition to the above certificate, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:

1. **All** Offerors must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.
2. **All** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses (SDBs) as subcontractors. To support its total percentage SDB subcontractor commitment, Offeror must also include:
 - a) The percentage and dollar amount of each subcontract commitment to a Small Diverse Business;
 - b) The name of each Small Diverse Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Diverse Business.
 - c) The services or supplies each Small Diverse Business will provide, including the timeframe for providing the services or supplies.
 - d) The location where each Small Diverse Business will perform services.
 - e) The timeframe for each Small Diverse Business to provide or deliver the goods or services.
 - f) A subcontract or letter of intent signed by the Offeror and the Small Diverse Business (SDB) for each SDB identified in the SDB Submittal. The subcontract or letter of intent must identify the specific work, goods or services the SDB will perform, how the work, goods or services relates to the project, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided. In addition, the subcontract or letter of intent must identify the fixed percentage commitment and associated estimated dollar value that each SDB will receive based on the total value of the initial term of the contract as provided in the Offeror's Cost Submittal. Attached is a letter of intent template which may be used to satisfy these requirements.
 - g) The name, address and telephone number of the primary contact person for each Small Diverse Business.
3. The total percentages and each SDB subcontractor commitment will become contractual obligations once the contract is fully executed.
4. The name and telephone number of the Offeror's project (contact) person for the Small Diverse Business information.

- C. The Offeror is required to submit **two** copies of its Small Diverse Business participation submittal. The submittal shall be clearly identified as Small Diverse Business information and sealed in its own envelope, separate from the remainder of the proposal.
- D. A Small Diverse Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- E. An Offeror that qualifies as a Small Diverse Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

Cost Submittal

II-7. COST AND PRICE ANALYSIS. The overall cost for the entire contract must be clearly provided in a total cost summary.

Then provide the overall costs for each year of the contract, broken down as follows:

Year 1 – Contract effective date (assume 10-1-2015) through December 31, 2016;
 Year 2 – January 1, 2017 through December 31, 2017;
 Year 3 – January 1, 2018 through December 31, 2018;
 Year 4 – January 1, 2019 through December 31, 2019; and
 Year 5 – January 1, 2020 through December 31, 2020.

Cost for each Year. For each year, provide cost information by task or group of tasks.
 For each task or group of tasks:

- Direct Labor Costs. List of all employees who will be assigned to work on the project by indicating their hours and billable rate. Itemize to show the following for each category of personnel with a different hourly rate:

Category (e.g., partner, project manager, analyst, senior auditor)

Estimated hours.

Rate per hour.

Total cost for each category and for all direct labor costs

- Travel and Subsistence Costs. Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must conform to the requirements of the most current version of Commonwealth Management Directive 230.10, *Travel and Subsistence Allowances*. Your firm's standard practices for employee travel expenses such as meals, entertainment, transportation, and lodging must also be provided.

- Consultant Costs. Itemize as indicated above.
- Subcontract Costs. Itemize as indicated above.
- Cost of Supplies and Materials. Itemize.
- Other Direct Costs. Itemize.
- General Overhead Costs. Overhead includes two major categories of cost: operations overhead and general and administrative overhead. Operations overhead includes costs that are not 100% attributable to the service being completed, but are generally associated with the recurring management or support of the service. General and administrative overhead includes salaries, profits, equipment and other costs related to headquarters management external to the service, but in support of the activity being completed. Specify what specific items are included, the rates used, estimated hours and total costs.

This portion of the proposal shall be clearly identified as the Cost Proposal and four (4) copies sealed in an envelope, separate from the remainder of the proposal. Please refer to Section I-23 regarding confidential information. Proposers should direct in writing to the Issuing Office pursuant to Part I, Section I-9, of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

II-8. STATEMENT OF POTENTIAL CONFLICTS OF INTEREST. The Proposer shall identify any relationships between itself or its employees or any subcontractors or their employees and the Commission or Commission staff, as well as between the Department of Environmental Protection ("DEP") or DEP staff. This would include any work currently being performed by the Proposer or its employees or any subcontractors or their employees or any work performed by the Proposer or its employees or any subcontractors or their employees during the past five years related to the Commission or Commission staff or the DEP or DEP staff. If there have been no such relationships, a statement to that effect is to be included in the proposal. (*See also* III-5.)

II-9. TIME ESTIMATES. Regarding time estimates for staff, for each task or group of tasks in the Work Plan, indicate the number of direct staff hours for each employee assigned which is required for completion. In addition, include a Project Schedule chart or spreadsheet, showing the direct staff hours for each monthly period and contract year for each task or group of tasks in the Work Plan. For the Project Schedule chart or spreadsheet, also subtotal all the direct staff hours for each monthly period and contract year. In addition, provide a schedule indicating the estimated staff hours each individual (project management or lead personnel, professional support personnel, and administrative support personnel) will spend on indirect support for the various tasks or groups of tasks. **Note that the schedule of estimated staff hours each individual will spend on the various task areas must be included in the Technical Submittal as well as in the separately bound Cost Submittal. The difference is that the Cost Submittal will include the monetary costs of the staff hours, and the Technical Submittal will only list hours without any indication of the costs related to those hours.**

PART III

CRITERIA FOR SELECTION

III-1. MANDATORY RESPONSIVENESS REQUIREMENTS. To be eligible for selection, a proposal must be:

- a) Timely received from a Proposer; and
- b) Properly signed by the Proposer.

III-2. TECHNICAL NONCONFORMING PROPOSALS. The Issuing Office reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in a Proposer's proposal.

III-3. EVALUATION. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, the BSBO will evaluate the Disadvantaged Business Submittal and provide the Issuing Office with a rating for this component of each proposal. The committee's selection shall be subject to the approval of the Commission. The Issuing Office will notify the selected Proposer in writing of the Commission's selection for negotiation with the responsible Proposer whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Commission after taking into consideration all of the evaluation factors. The Commission will award a contract only to a Proposer determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program*.

III-4. CRITERIA FOR SELECTION. The following criteria will be used in evaluating each proposal. In order for a proposal to be considered for selection for best and final offers or selection for contract negotiations, the total score for the technical submittal of the proposal must be greater than or equal to 70% of the highest scoring technical submittal.

- a. **Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as **50%** of the total points. Evaluation will be based upon the following in order of importance:

A. WORK PLAN. Emphasis here is on the soundness of approach and reasonableness of the time allowances proposed. Evaluated under this criterion will be the techniques to be used for providing the work; the sequence and relationships of major work steps; and methods of managing the work. Also considered in this category will be the Proposer's compliance with specific RFP requirements as well as its understanding of the work, and the need for project management controls and adequate quantification (and support for the quantification), where possible, for all findings, conclusions, and recommendations.

B. PROFESSIONAL PERSONNEL AND INFRASTRUCTURE. This refers to the competence and appropriate assignment of the project

management or lead personnel, professional support personnel, and technical support staff. Qualifications of personnel will be measured by education, training, and experience, with particular reference to experience on projects similar to that described in the RFP. Infrastructure will be measured by the Proposer's organizational, financial, and physical assets and whether these will adequately support the work load and demands associated with the Project.

C. PRIOR WORK. The Commission believes that prior experience will be important to performing the work. Prior work will be evaluated to judge the ability of the Proposer to meet the terms of the RFP. Prior work will be used to judge the quality and relevancy of projects completed by the Proposer.

- b. **Cost:** The Issuing Office has established the weight for the Cost criterion for this RFP as **30%** of the total points.
- c. **Small Diverse Business Participation:** BSBO has established the weight for the Small Diverse Business (SDB) participation criterion for this RFP as **20 %** of the total points. Each SDB participation submittal will be rated for its approach to enhancing the utilization of SDBs in accordance with the below-listed priority ranking and subject to the following requirements:
 - 1. A business submitting a proposal as a prime contractor must perform 60% of the total contract value to receive points for this criterion under any priority ranking.
 - 2. To receive credit for an SDB subcontracting commitment, the SDB subcontractor must perform at least fifty percent (50%) of the work subcontracted to it.
 - 3. A significant subcontracting commitment is a minimum of five percent (5%) of the total contract value.
 - 4. A subcontracting commitment less than five percent (5%) of the total contract value is considered nominal and will receive reduced or no additional SDB points depending on the priority ranking.

Priority Rank 1: Proposals submitted by SDBs as prime offerors will receive 150 points. In addition, SDB prime offerors that have significant subcontracting commitments to additional SDBs may receive up to an additional 50 points (200 points total available).

Subcontracting commitments to additional SDBs are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 2: Proposals submitted by SDBs as prime contractors, with no or nominal subcontracting commitments to additional SDBs, will receive 150 points.

Priority Rank 3: Proposals submitted by non-small diverse businesses as prime contractors, with significant subcontracting commitments to SDBs, will receive up to 100 points. Proposals submitted with nominal subcontracting commitments to SDBs will receive points equal to the percentage level of their total SDB subcontracting commitment.

SDB subcontracting commitments are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 4: Proposals by non-small diverse businesses as prime contractors with no SDB subcontracting commitments shall receive no points under this criterion.

To the extent that there are multiple SDB Participation submittals in Priority Rank 1 and/or Priority Rank 3 that offer significant subcontracting commitments to SDBs, the proposal offering the highest total percentage SDB subcontracting commitment shall receive the highest score (or additional points) available in that Priority Rank category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage SDB subcontracting commitment. Proportional scoring is determined by applying the following formula:

$$\frac{\text{SDB \% Being Scored}}{\text{Highest \% SDB Commitment}} \times \frac{\text{Points/Additional Points Available}^*}{1} = \frac{\text{Awarded/Additional SDB Points}}{1}$$

Priority Rank 1 = 50 Additional Points Available

Priority Rank 3 = 100 Total Points Available

Please refer to the following webpage for an illustrative chart which shows SDB scoring based on a hypothetical situation in which the Commonwealth receives proposals for each Priority Rank:

http://www.portal.state.pa.us/portal/server.pt/community/rfp_scoring_formulas_overview/20124

III-5. POTENTIAL CONFLICTS OF INTEREST.

Other than in performance of duties under this contract, during the contractual term the Contractor or any subcontractors, or any parent or related entities to the Contractor or any subcontractors, or any of the Contractor's or any subcontractors' employees, must disclose to the Project Officer any work for or any payment of any kind by any party which seeks alternative energy credits. The Proposer that performs such prior work is required to explain, in detail, the measures that will be taken to avoid any conflict of interest or appearance of impartiality that may arise as a consequence of this contract. The Issuing Office will determine, on a case-by-case basis, whether such prior activity creates an actual or potential conflict of interest. If the Project Officer deems the activity

to be a conflict of interest, the Contractor agrees to take appropriate steps as directed by the Project Officer to eliminate the conflict. (*See also* II-8.)

III-6. PROPOSER RESPONSIBILITY. To be responsible, a Proposer must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for a Proposer to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

The total score for the technical submittal of the Proposer's proposal must be greater than or equal to **70%** of the **available technical points**.

Further, the Commission will award a contract only to a Proposer determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program*.

III-7. FINAL RANKING AND AWARD.

- A. After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BSBO's final small diverse business participation scores, the final cost scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B. The Issuing Office will rank responsible Proposers according to the total overall score assigned to each, in descending order.
- C. The Issuing Office must select for contract negotiations the Proposer with the highest overall score; PROVIDED, HOWEVER, THAT AN AWARD WILL NOT BE MADE TO AN PROPOSER WHOSE PROPOSAL RECEIVED THE LOWEST TECHNICAL SCORE AND HAD THE LOWEST COST SCORE OF THE RESPONSIVE PROPOSALS RECEIVED FROM RESPONSIBLE PROPOSERS. IN THE EVENT SUCH A PROPOSAL ACHIEVES THE HIGHEST OVERALL SCORE, IT SHALL BE ELIMINATED FROM CONSIDERATION AND AWARD SHALL BE MADE TO THE PROPOSER WITH THE NEXT HIGHEST OVERALL SCORE.
- D. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART IV
WORK STATEMENT

IV-1. OBJECTIVES. Part IV of the RFP identifies in detail the work that will need to be performed by the AEC Administrator.

The Commission issued this RFP to retain the services of a contractor who will perform certain functions necessary for the implementation of the Alternative Energy Portfolio Standards Act of 2004, as amended (“AEPS Act” or “Act”).² These functions include:

- The verification of electric distribution company (“EDC”) and electric generation supplier (“EGS”) compliance with the minimum portfolio requirements of the Act, and the reporting of compliance to the Commission.
- The calculation of EDC and EGS Tier I requirements on a quarterly basis.
- The review of applications and determination of eligibility for alternative energy system status. This will be done in accordance with standards and/or guidance as provided by DEP.
- Conduct a limited number of on-site inspections at certified alternative energy systems.
- Certifying that EDCs and EGSs use only valid alternative energy credits for compliance with the Act.
- The verification of small solar customer-generator alternative energy system generation output data.
- Approving, tracking and verifying alternative energy credits created by energy efficiency and demand response measures.
- Providing support services to customer-generators.
- The tracking and reporting of alternative energy credit prices to the Commission.
- Provide to the Commission as needed, EGS credit obligation information prior to the end of the compliance year for situations related to the bonding requirements of EGSs.
- Assisting DEP with confirming environmental certification by supplying DEP with annual recertification data for each registered AEPS facility.
- The calculation of the annual solar PV alternative compliance payment value.
- The calculation of alternative compliance payment amounts for EDCs and EGSs.
- Providing monthly reports to the Commission and DEP summarizing monthly activities and noting any problems and/or issues addressed and needing to be addressed.

The Act provides that the AEC Administrator’s powers and duties will be established by Commission regulation. The Commission adopted the final rulemaking order at the Public Meeting of September 25, 2008, that included the above-referenced powers and duties, which are

² 73 P.S. §§ 1648.1-1648.8 and 66 Pa.C.S. § 2814.

in turn reflected in this document and the adopted regulations.³ *Implementation of the Alternative Energy Portfolio Standards Act of 2004*, Final Rulemaking order, Docket No. L-00060180 (Order entered September 29, 2008).⁴ In addition, the Commission established procedures and guidelines relating to the implementation of additions to the AEPS Act as contained in Act 129 of 2008. *Implementation of Act 129 of 2008 Phase 4 – Relating to the Alternative Energy Portfolio Standards Act*, Docket No. M-2009-2093383 (Order entered May 28, 2009).⁵ On February 20, 2014, the Commission issued for comment several revisions to the AEPS regulation that proposes changes to the procedures and guidelines relating to the implementation of the AEPS Act. *Implementation of the Alternative Energy Portfolio Standards Act of 2004*, Proposed Rulemaking Order, at Docket No. L-2014-2404361 (Order entered February 20, 2014).⁶ Contractors should review the AEPS Act as amended, these Commission orders and the adopted regulations prior to submitting a response.

IV-2. NATURE AND SCOPE OF THE PROJECT. This RFP will address tasks related to the verification of EDC and EGS compliance with their obligations under the Act. It will also address tasks related to the rights and obligations of alternative energy systems and customer-generators. EDCs and EGSs are required to increase their reliance on alternative energy sources in relation to their sales of electricity to Pennsylvania’s retail electric customers. Compliance is measured in quantities of alternative energy credits, each of which represents one megawatt hour of qualified electricity generation or conservation, created by qualified alternative energy systems, to include customer-generators.

The Act and the Commission regulations require EDCs to interconnect and net meter customer-generators’ distributed generation systems that utilize an alternative energy source.⁷ However, the AEC Administrator will not be involved in the processing and review of customer-generator interconnection requests. Commission staff will be responsible for reviewing disputes between EDCs and customer-generators regarding interconnection or net metering matters.

The RFP also addresses the processes and standards by which alternative energy systems, including customer-generators, may take advantage of the financial opportunities provided for in the Act and Commission regulations. The AEC Administrator will review and make determinations on applications for alternative energy system status. The AEC Administrator will also need to verify the alternative energy system’s use of appropriate fuel sources and technologies. This verification includes determining the effectiveness of approved demand side management and energy efficiency measures, consistent with the Commission’s Technical Reference Manual.⁸

³ See 52 Pa. Code §§ 75.1-75.70 (Alternative Energy Portfolio Standards).

⁴ Available at <http://www.puc.state.pa.us/PCDOCS/1023111.doc>.

⁵ Available at <http://www.puc.state.pa.us/pcdocs/1043496.doc>.

⁶ Available at <http://www.puc.pa.gov/pcdocs/1269782.doc>.

⁷ See 73 P.S. 1648.5 and 52 Pa. Code §§ 75.11-75.15 and 75.21-75.51.

⁸ The current version of the Technical Reference Manual was adopted by the Commission at the December 1828, 2014 public meeting. See *Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources—Technical Reference Manual 2015 Update*, Docket No. M-2012-2313373 (Order entered December 18, 2014).1, 2009). Available at <http://www.puc.pa.gov/pcdocs/1333255.docx>. The 2015 version of the TRM is available at

The AEC Administrator will work with the DEP in determining eligibility of alternative energy system applications.

Potential contractors should be aware that the Act's alternative energy portfolio requirements do not apply to rural electric cooperatives selling electricity to their members or municipally-owned electric distribution companies selling electricity within their corporate limits.

Finally, successful bidders should be able to develop the capability to provide the required services no later than December 31, 2015, which is the last day of the contract with the existing AEC Administrator.

IV-3. REQUIREMENTS. Compliance with the Act is verified for successive twelve month reporting periods that begin on June 1 and conclude on May 31 of the following year. Thus, the contractor must be able to provide a report on EDC and EGS compliance with the portfolio requirements after the end of the reporting year in which the contract begins.

The following is a list of EDCs that have compliance obligations under the Act and therefore are subject to the compliance requirements of this contract:

EDC Service Territory

UGI Utilities Inc. – Electric Division
Pennsylvania Power Company
Pike County Power and Light
Citizens Electric of Lewisburg
Wellsboro Electric Company
Duquesne Light Company
PPL Electric Utilities, Inc.
West Penn Power Company
Pennsylvania Electric Company
Metropolitan Edison Company
PECO Energy Company

There are currently approximately 430 licensed EGSs in Pennsylvania. Many of these EGSs are not serving retail electric customers at this time. For the 2013/2014 reporting year, there were 99 licensed EGSs that had retail sales and were subject to AEPS compliance obligations.

The AEC Administrator should expect to devote time each year of the contract responding to customer-generator inquiries, processing customer-generators' applications for alternative energy system status and verifying the generation output data. The Commission expects that the majority of new alternative energy system applications received by the AEC Administrator will be submitted by customer-generators and aggregators.

<http://www.puc.pa.gov/pcdocs/1333318.docx>, <http://www.puc.pa.gov/pcdocs/1333319.xls>,
<http://www.puc.pa.gov/pcdocs/1333539.xlsx>, and <http://www.puc.pa.gov/pcdocs/1333321.xlsx>.

IV-4. TASKS.

- A. Alternative Energy System Qualification.**⁹ EDC and EGS compliance is measured in quantities of alternative energy credits. Alternative energy credits may be certified (e.g., created) for the electric generation of power plants or electric conservation through programs or technologies that have been qualified for “alternative energy system” status. Only electric generation facilities, customer-generators or other retail electric customers that use an alternative energy sources (i.e. DSM, energy efficiency technology/program) may qualify for alternative energy system” status.

The alternative energy system application forms have been developed and are available on the Pennsylvania AEPS Alternative Energy Credit Program website¹⁰ at paaeps.com. The AEC Administrator’s task will be to review and approve or reject new completed applications within 30 business days. Applicants will include newly constructed systems or already existing facilities that have not yet applied. The AEC Administrator will use the following process in reviewing applications:

1. The AEC Administrator will initially review the application for completeness and adherence to instructions. Incomplete or incorrectly completed applications should be rejected and the applicant notified of the deficiency. A log should be maintained for all applications documenting the date of receipt and the date of rejection or approval of the application. If an application is rejected, the reason(s) should be noted. Under the proposed new rules, applicants have 90 days to respond to requests for information or data and applications not approved by within 180 days of submission due to the applicant’s failure to provide information will be deemed rejected.
2. Assuming a correctly completed application is submitted, the AEC Administrator will then verify the application for compliance with the geographic eligibility requirement of the Act. Only an alternative energy system located in Pennsylvania, or the control area of the regional transmission organization (“RTO”) PJM, is eligible. PJM is currently the only that manages the transmission system in Pennsylvania. Therefore, for example, a generation facility located in New York, which lies entirely in the control area of the New York Independent System Operator, Inc., would not be eligible whereas, a generation facility in Maryland, which lies entirely in the PJM control area, would be eligible. The applicant is required to identify in which state and control area it is located.

⁹ The commission’s regulations relating to alternative energy system qualification and the AEC Administrator’s powers and duties in regard to alternative energy system qualification are delineated in 52 Pa. Code §§ 75.62 and 75.64(b).

¹⁰ http://paaeps.com/credit/register_generator.do.

3. An applicant must also demonstrate compliance with all applicable Pennsylvania and Federal environmental laws at the time of application submittal and as part of an annual recertification. Applicants are required to provide environmental permit(s) information including but not limited to a copy of their Title V permit with documentation of fuel sources used. The applicant shall attest if any environmental violations have occurred, the nature of the violations and the extent to which resolution of any such violations is still ongoing. The AEC Administrator will refer these matters and information to the DEP by forwarding a copy of the application and any related pertinent information to the appropriate DEP contact person. DEP will verify that the facility has obtained the necessary permits to operate and is not guilty of a major environmental violation or if additional considerations must be met in order to receive or maintain certification as a qualified alternative energy system. DEP will also verify that the applicant relies on at least one of the “alternative energy sources” identified in Section 1648.2 of the Act, 73 P.S. § 1648.2. DEP will inform the AEC Administrator in writing of whether the applicant is in compliance with environmental laws and utilizes an alternative energy source. The AEC Administrator will accept DEP’s determination on these matters.

4. If an applicant satisfies all qualification requirements, the AEC Administrator will award alternative energy system status. The AEC Administrator will provide the alternative energy system with a Pennsylvania state certification number. This is a unique number that will allow the alternative energy system to register with the PJM Environmental Information Services, Inc.’s (“PJM-EIS”) Generation Attribute Tracking System (“GATS”). GATS is an online, information database that the Commission has designated as the alternative energy credits registry. A numbering convention has already been developed that the AEC Administrator will use. The AEC Administrator will notify PJM-EIS of its approval decision and the state certification number.

5. As a general rule, the AEC Administrator will not conduct a site visit or inspection of the system before processing the application.

6. If an application is rejected, the applicant must appeal the AEC Administrator’s decision within 20 days if it wishes to challenge the determination. An appeal will be treated as a petition for appeal of staff actions, consistent with Commission regulations at 52 Pa. Code § 5.44. The Commission will rule on any timely filed appeal. The Commission can reverse the AEC Administrator’s decision if it was incorrect as to the law or facts.

If the Commission refers the matter to the Office of Administrative Law Judge for evidentiary hearings, contractor staff may be called to testify and provide documentation to support their decision. The Commission will provide legal counsel, as needed, for the AEC Administrator during this appeal process.

Contractors should propose a timely and cost-effective protocol for reviewing applications that adheres to the above processes and standards contained in the Commission's regulations.

- B. Certification of Alternative Energy Credits.**¹¹ Once an alternative energy system has been provided a Pennsylvania state certification number, it may be registered with GATS. Alternative energy systems registered with GATS will accrue certificates equivalent to their electric generation or verified energy conservation measures. Each certificate is unique, and documents the date of creation, resource type, generator, etc.

Generators will maintain these certificates in their active accounts on GATS until they are sold or transferred to another party, such as an EDC or EGS. EDCs and EGSs will attempt to accrue a sufficient number of GATS registered certificates to satisfy their obligations under the Act.

Not every certificate created by GATS may be used for Pennsylvania compliance purposes. Before a GATS certificate can be used for Pennsylvania compliance purposes, it must be validated as an "alternative energy credit." The AEC Administrator will need to address the following issues before an alternative energy credit is created.

1. Double-counting requirement. A GATS registered certificate may only be used once and not be used to meet the compliance obligation in more than one jurisdiction. For example, if an EGS has already used a GATS registered certificate to satisfy a compliance obligation in New Jersey, no EDC or EGS may use that same certificate for Pennsylvania compliance.

PJM-EIS's GATS system will create unique certificates for each megawatt hour of qualified generation or conservation. These certificates will be retired and removed from GATS as they are used to satisfy state portfolio standards.

2. Vintage limitation. Alternative energy credits may only be awarded for generation that has occurred from the date and subsequent to which an application was submitted for alternative energy system certification. No back-dating or vintaging of generation which occurred prior to the date of application submittal will be permitted. AECs may be used for compliance in the year they were produced or either of the two subsequent years, giving each credits a three year life.

¹¹ The Commission's regulations covering alternative energy credit certification and the Alternative Energy Credit AEC Administrator's powers and duties in regard to alternative energy credit certification can be found at 52 Pa. Code §§75.63 and 75.65(d).

Contractors should identify a protocol that will allow them to timely and cost-effectively verify that EDCs and EGSs do not use GATS certificates that exceed useful life of the certificate. This protocol may include utilization of existing GATS functionality, documentation obtained from EDCs, EGSs, etc.

C. Verification of EDC and EGS Compliance with the Portfolio Standard Requirements.

The Act requires EDCs and EGSs to increase their reliance on electricity produced or conserved through alternative energy sources. This mandate is implemented by imposing minimum targets for twelve month reporting periods. Compliance is measured in quantities of alternative energy credits, which represents one megawatt hour of electricity generation or conservation. The minimum portfolio requirements per reporting year can be found in the Commission's regulations at 52 Pa. Code §75.61(b).

The Act provides for three separate and distinct portfolio requirements: Tier I, solar PV, and Tier II. The solar PV requirement (solar share) represents a portion of the Tier I obligation. All obligations are expressed as a percentage of the EDC's or EGS's overall retail sales. For example, if an EDC or EGS had total annual sales of 100,000 megawatt-hours in the 2016-2017 reporting year, the total Tier I credit requirement is 6 percent or 6,000 Tier I credits. However, .2933 percent of all retail sales must specifically come from solar PV sources while the remaining 2.9797 percent may come from other non-solar PV Tier I sources or a combination including non-solar PV Tier I and solar PV sources. Therefore, the Tier I credit requirements for the solar share are for 293 (rounded from 293.3) solar PV credits. The balance of the Tier I requirement is then 5,707 credits (rounded from 5,706.7) of Tier I non-solar PV credits or some combination of non-solar PV credits and solar PV credits that are in addition to those solar PV credits used for compliance with the solar share. In addition, pursuant to 66 Pa.C.S. § 2814, the Tier I non-solar PV requirement will be adjusted by the Commission on a quarterly basis. Each of these three requirements must be met for an EDC or EGS to satisfy its obligations for a reporting period.

As part of the quarterly adjustment of Tier I requirements, the AEC Administrator will be collecting data on a monthly and quarterly basis that will be used to make the quarterly adjustment.¹² Specifically, the additional Tier I resources defined in 66 Pa. C.S. §2814(a) and (b), must report total generation and the status of all associated credits on a monthly basis. Any additional Tier I resource that fails to provide a monthly report will be disqualified for the quarter in which that month falls. The AEC Administrator will notify the additional Tier I resource in writing

¹² The Commission's requirements for calculating quarterly adjustments to the Tier I requirements are contained in Implementation of Act 129 of 2008 Phase 4 - Relating to the Alternative Energy Portfolio Standards Act, Docket No. M-2009-2093383 (Order entered May 28, 2009). Available at <http://www.puc.state.pa.us/pcdocs/1043496.doc>.

if it fails to comply. These additional Tier I resources are to give the AEC Administrator access to their GATS account so that the AEC Administrator can track and verify the number of additional credits available. EDCs and EGSs are to report monthly retail sales on a quarterly basis. The AEC Administrator will compute the quarterly Tier I requirement for each EDC and EGS and provide that information to the Commission so that this information can be posted on the Commission's AEPS website within 45 days of the end of the quarter. The quarterly Tier I requirements for each EDC and EGS will be summed to determine their annual Tier I requirement.

Compliance will be measured by comparing aggregate sales of electricity to retail customers against the quantity of alternative energy credits accrued for purposes of compliance with the Act. After the end of each true-up period, the AEC Administrator will verify compliance with these requirements through a review of certificates held in the EDC's and EGS's reserve accounts in GATS.¹³ The AEC Administrator will notify each EDC and EGS if they are compliant and will provide a compliance report to the Commission and DEP.

The AEC Administrator will address the following issues in verifying compliance:

1. Geographic Scope Limitation: Credits awarded for electric generation from outside Pennsylvania and within the PJM control area can be used by any EDC or EGS.

The contractor should propose a protocol that will allow them to timely and cost-effectively verify that EDCs and EGSs do not use GATS registered certificates from inappropriate geographic areas to meet their portfolio compliance obligation. The protocol may utilize GATS functionality, data requests to EDCs and EGSs, data available from PJM, etc.

2. Banking restrictions.¹⁴ The Act allows EDCs and EGSs to bank alternative energy credits generated in one reporting year, for compliance in the year it was produced or in either or both of the two immediately following reporting years.

The contractor should propose a cost-effective protocol for ensuring that banked credits are only used for the appropriate reporting periods. The protocol may utilize GATS functionality, data requests to EDCs and EGSs, etc.

¹³ The Commission's regulations relating to the Alternative energy Credit AEC Administrator's powers and duties in regard to verification of EDC and EGS compliance are delineated in 52 Pa. Code §75.64(c).

¹⁴ The Commission's regulations governing the banking of alternative energy credits can be found at 52 Pa. Code §75.69.

D. Calculation of the Level of Alternative Compliance Payments for EDCs and EGSs.¹⁵

The Act provides for a 90 day true-up period that follows the conclusion of each reporting period. The true-up period is an opportunity for EDCs and EGSs to remedy non-compliance at the end of the reporting period without suffering a penalty. At the end of the true-up period, the AEC Administrator will review the compliance status of the EDCs and EGSs for the recently concluded reporting period. If an EDC or EGS still has not obtained sufficient alternative energy credits to meet the minimum requirements of the recently concluded reporting period, they will be deemed non-compliant.

Non-compliant EDCs and EGSs are required to submit an alternative compliance payment to the Commission. This payment is equal to \$45 for each non-solar PV alternative energy credit that the EDC or EGS was deficient. For the solar PV requirement, the payment is equal to 200% of the average market value of solar PV credits sold in the RTO where the non-compliance occurred and levelized up-front rebates given to sellers of solar PV credits in other jurisdictions within PJM.

The AEC Administrator will calculate an alternative compliance payment amount for those EDCs and EGSs that failed to meet their obligations. Calculation of solar PV compliance payments will require a review of pricing data for the completed year, the amount of solar PV rebates given in other jurisdictions and the total kilowatt capacity for which rebates were given in the previous 20 years. The AEC Administrator will submit a report to the Commission regarding these amounts. The Commission will then provide written notice to the EDC and EGS that was noncompliant.

An EDC or EGS may challenge the level of alternative compliance payments and appeal the AEC Administrator's decision consistent with 52 Pa. Code § 5.44. These questions will be referred to the Office of Administrative Law Judge as may be appropriate for hearings. The AEC Administrator may need to provide testimony and documentation at these hearings. The Commission will provide legal counsel to the AEC Administrator, as necessary, for these proceedings.

Contractors should propose a protocol for the timely and cost-effective calculation of alternative compliance payment amounts consistent with the Commission's regulations. The protocol may utilize GATS functionality, data requests to EDCs and EGSs, etc.

E. Verification of Alternative Energy System Status and Performance.

It is important that alternative energy credits only be awarded to those systems that utilize appropriate fuels and technologies and in amounts that accurately

¹⁵ The Commission's regulations relating to alternative compliance payment can be found at 52 Pa. Code §75.65.

reflect the generation or energy conservation associated with those systems. The AEC Administrator will need to perform the following verification functions:

1. Large generators: This includes those generation facilities that interconnect directly with the transmission system managed by PJM GATS will create certificates for PJM located facilities based on metered data available from the PJM Market Settlement System. Accordingly, the AEC Administrator will not be expected to verify these facilities' metered output.

The AEC Administrator will not conduct an on-site inspection of these large facilities before reviewing and processing an application for alternative energy system status. However, the Commission wishes to ensure that large alternative energy systems are utilizing appropriate fuel sources and technologies and that their generation output is appropriately measured.

For example, some large generation facilities that interconnect directly with the transmission system managed by PJM rely on more than one energy source or technology. Either the primary or secondary fuel type may not represent an alternative energy source. The Commission must ensure alternative energy credits are not being awarded for this non-alternative energy generation.

Contractors should propose a protocol for a cost-effective and thorough inspection of at least ten (10) large alternative energy systems for each year of the contract. At least one alternative energy system must be of the dual-fuel variety. The contractor may make recommendations regarding which types of large systems it should focus its verification activities on. This verification protocol may include site inspections, the use of subcontractors, requests for documentation, etc. The AEC Administrator may assume that the Commission will revoke the alternative energy system status of any facility that fails to cooperate in the investigation.

2. Customer-generators. This includes those alternative energy systems that are net metered and interconnected with a EDCs' distribution system.

The Act allows customer-generators with interconnected and net metered alternative energy systems to earn alternative energy credits. Please note that this is a separate requirement from the Commission's net metering and interconnection regulations. The Commission's net metering regulations¹⁶ allow for either a single, bi-directional meter, or two separate meters. This is an acceptable approach for measuring customer-demand and excess electricity production. However, an additional meter may be required to verify alternative energy system generation or conservation.

¹⁶ See 52 Pa. Code §§ 75.11-75.15.

The Commission's regulations at 52 Pa. Code §75.63(f) requires all alternative energy systems output, except solar PV systems with a nameplate capacity of 15 kilowatts or less, to be verified by metered data. The AEC Administrator is responsible for verifying the output of solar PV systems with a nameplate capacity of 15 kilowatts or less, through inspections, the use of engineering estimates, DEP meter records, GATS functionality, self-certification and the like. See 52 Pa. Code §75.63(g). Contractors should propose cost-effective protocols for obtaining accurate data for solar PV systems with nameplate capacities of 15 kilowatts or less. In the event that engineering estimates, GATS generation self-report information or DEP meter reads are used for verifying customer-generator output, provisions should be made for follow-up inspections on systems where generation output is flagged for discrepant information.

Contractors should propose cost-effective protocols for following up on discrepant generation output information.

The AEC Administrator will also need to conduct site inspections to some approved customer-generators as part of the verification process. The focus will be on the appropriate use of technology and verification that the meter is functioning properly. This process will involve at least ten (10) customer-generator locations per year of the contract. These inspections will include at least one inspection for each fuel or technology type that customer-generators in Pennsylvania are using.

Contractors should propose a protocol for a cost-effective and thorough site-visit. This verification protocol may include the use of subcontractors, requests for documentation, etc. The AEC Administrator may assume that the Commission will revoke the alternative energy system status of any customer-generator that fails to cooperate in the site visit.

3. Demand side management and energy efficiency programs. This includes those programs and technologies that result in the conservation of electricity. The Commission's expectation is that all reported savings will be reported first to the AEC Administrator. The AEC Administrator will then verify the data using the Technical Reference Manual or approved custom verification method before submitting the data for the creation of certificates in GATS.

The contractor should propose a cost-effective protocol for verifying energy efficiency and demand-side management measures before GATS registered certificates are awarded. The AEC Administrator will use the Commission's approved technical reference manual for measures covered in that document.¹⁷

¹⁷ Current version available at <http://www.puc.state.pa.us/pcdocs/1043608.doc>.

For custom measures, the contractor should propose a cost-effective protocol for verifying efficiency and conservation measures. The protocol may use existing or new technology applications, document requests, site inspections, the use of subcontractors, etc.

F. Support Services. The AEC Administrator will need to provide certain support functions to alternative energy system operators, EDCs, and EGSs:

1. Website – The AEC Administrator will maintain a public internet domain on the World Wide Web. This Website will have the following attributes:
 - a.) A section describing the AEC Administrator and its functions in implementing the Act and its relationship to the Commission.
 - b.) Contact information for the AEC Administrator, including a mailing address, email address, facsimile number and telephone number.
 - c.) A section including hypertext links to the Commission, DEP, PJM-EIS and other sites as the Commission may specify.
 - d.) A frequently asked question section for common inquiries from owners of alternative energy systems, customer-generators, EDCs, EGSs and the public.
 - e.) A section documenting average prices for alternative energy credits. Average annual credit prices for alternative energy credits, Tier type as well as the alternative compliance payment for solar PV credits should be available for public inspection. In addition, the aggregate quarterly Tier I requirements must be posted on this web site.
 - f.) Public list of qualified alternative energy systems. A publicly available list of qualified alternative energy systems that identifies the resource type, whether it is located in Pennsylvania, the facility name, nameplate capacity and Pennsylvania state certification number. This list should be updated monthly.
 - g.) Private list of contact information for alternative energy systems. This list will include contact information such as mailing address, telephone number, fax number and email address. This list should be updated monthly.
2. Help Line – The AEC Administrator will maintain a phone line for questions from alternative energy system operators, Aggregators, EDCs and EGSs. The line should be open from 8:00 am Eastern Standard/Eastern Daylight Savings Time to 5:00 pm Eastern Standard/Eastern Daylight Savings time, Monday through Friday, excluding federal holidays.

Contractors should propose a cost-effective, user friendly means of offering these website and helpline services. Contractors may utilize customized or off-the-shelf systems to provide these support functions.

IV-5. REPORTS AND PROGRAM CONTROL.

The Commission expects that there will be regular email and telephone contact between the contractor and Commission/DEP staff. The chosen contractor will designate a program manager who will receive all correspondence from the Commission/DEP and be responsible for signing off on all reports provided to the Commission/DEP. Periodic oral and written reports will be necessary in addition to the frequent informal contact between the contractor's staff and the Commission/DEP staff. These reports, as well as other documentation required from the contractor, are described below.

Working papers, including appropriate supporting data, will be retained by the contractor for the duration of the contract. During this period, the working papers (hard copy and/or electronic) will be turned over to the Commission/DEP if requested, working papers will be retained for at least one year beyond the expiration of the contract.

In order to manage this project efficiently, computers will be used by the contractor and the staff of the Issuing Office. The contractor should select the hardware and software necessary for the provision of these services. Reports and other documentation should be provided in formats used by the Commission and DEP's information systems, including Microsoft Office Word, Microsoft Office Excel, Microsoft Office PowerPoint, Adobe Reader, etc.

The contractor will provide the following reports to the Commission and DEP and attend the following meetings with the Commission and DEP. All reports are to be considered confidential unless authorized for release.

1. Monthly Written Status Reports – Based on the task plan submitted with the proposal, the monthly reports should consist of the following parts:

A. Alternative energy system applications: This section should identify all applications received within the month and their status as approved, rejected, or pending. Data should include alternative energy source type, the location of resource and the status of the application.

B. Alternative energy system site inspections: This section should document all site inspections conducted in order to verify alternative energy source utilization and overall generation/conservation levels. Data should include the name and location of the alternative energy system, including the unique Pennsylvania state certification number. Findings and recommendations for additional action, if needed, should be included.

C. Public and Customer-generator assistance: This section should document the number of phone and email inquiries received from the public and customer-generators regarding application for alternative energy system status, account balances, verification, etc. This report should help the Commission, DEP and the AEC Administrator identify obstacles to customer-generator participation in the market and opportunities for improvement.

D. Miscellaneous: Other activities not addressed above or that may be later identified by the contractor, Commission, or DEP during the term of the contract.

Monthly reports should be delivered to the Commission/DEP by the 15th working day following the month's end and shall be submitted for each month worked.

2. Semi-annual meetings with Commission and DEP staff - The contractor's program manager and other appropriate staff will meet with relevant Commission and DEP staff at the Commission's Harrisburg Offices or by teleconference on a semi-annual basis, as determined by the Commission. The purpose of the meeting will be to review and discuss outstanding issues that arise about credit administration, identify resolutions, discuss implementation issues and identify action steps. The contractor will be responsible for providing meeting summaries within ten (10) working days of the meeting.

3. Alternative energy credit pricing – The Act requires the Commission to maintain or designate a registry that will record the price paid for each alternative energy credit. The Commission has designated PJM-EIS's GATS to serve as that registry. The Commission's regulations require EDCs and EGSs to provide the Commission and the AEC Administrator access to information in their GATS accounts. See 52 Pa. Code §75.70(c). The Commission is to make some level of pricing information available to the Pennsylvania General Assembly, and the public. See 52 Pa. Code §75.70(d).

The Commission will provide information on the average annual credit prices for credits used for Pennsylvania compliance based on aggregate prices for all EDC and EGS transactions with reported credit prices. Average annual prices will be posted on the Commission's website as well as the AEPS website maintained by the AEC Administrator. The postings will include the average annual price paid for solar PV credits, Tier I non-solar PV credits and Tier II credits.

The AEC Administrator will annually gather and compute credit price information from GATS information if such information is available. The AEC Administrator will verify the accuracy of the pricing information with the EDC or EGS. Where credit price information is not available in GATS, the AEC Administrator will request such information from EDCs and EGSs.

The Commission will also need to know credit pricing information as part of making force majeure determinations. The Commission will make a separate force majeure determination for Tier I non-solar PV, Tier II, and solar PV resources prior to each reporting year. See 52 Pa. Code §75.66. The AEC Administrator will need to document credit prices over a six month period to allow the Commission to make such a determination.

The contractor should propose a protocol for the cost-effective and timely assembly of credit pricing information. The protocol may utilize GATS functionality, data requests to EDCs and EGSs, and other information sources.

IV-6. TESTIMONY. The Contractor is required to stand behind its conclusions and recommendations by testifying and by aiding in the preparation of testimony by Commission staff, if necessary, in any future rate case or other proceeding before the Commission or for proceedings in other venues. The Contractor is required to provide factual support for its conclusions and recommendations in such testimony. The Contractor's staff involved in providing such testimony shall be compensated at 150% of the hourly rates indicated in the Proposal. These costs will be paid in accordance with the payment methods of the contract; however, those costs will be in addition to and billed separately from the base contract amount at 150% of the salary rates provided in the Contractor's Proposal.

IV-7. ONGOING OBLIGATIONS. Data, records, and other materials collected or created by the contractor regarding evaluation of the conservation plans is property of the Commission. Information must be maintained in a manner to enable access for at least ten years from date of creation of the data, record or other materials. Prior to destruction of such materials, the Contractor must notify the Commission to allow the Commission to take custody of such materials, if it so chooses.

IV-8. DISADVANTAGED BUSINESS PARTICIPATION. All contracts containing Disadvantaged Business participation must also include a provision requiring the selected Contractor to meet and maintain those commitments made to Disadvantaged Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BSBO.

The selected Contractor's commitments to Disadvantaged Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BSBO, which will make a recommendation to the Contracting Officer regarding a course of action. If a contract is assigned to another Contractor, the new Contractor must maintain the Disadvantaged Business.

The selected Contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BSBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business. Also, this information will serve as a record of fulfillment of the commitment the selected Contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN PROPOSER TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.

INSTRUCTIONS FOR NONCOLLUSION AFFIDAVIT

1. This Noncollusion Affidavit is material to any contract/purchase order awarded pursuant to this bid. According to section 4507 of Act 57 of May 15, 1998, 62 Pa. C.S. § 4507, governmental agencies may require Noncollusion Affidavits to be submitted with bids.
2. This Noncollusion Affidavit must be executed by the member, officer or employee of the proposer who makes the final decision on prices and the amount quoted in the bid.
3. Bid rigging and other efforts to restrain competition, and the making of false sworn statements in connection with the submission of bids are unlawful and may be subject to criminal prosecution. The person who signs the affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the proposer with responsibilities for the preparation, approval or submission of the bid.
4. In the case of a bid submitted by a joint venture, each party to the venture must be identified in the bid documents, and an affidavit must be submitted separately on behalf of each party.
5. The term “complementary bid” as used in the affidavit has the meaning commonly associated with that term in the bidding process, and includes the knowing submission of bids higher than the bid of another firm, any intentionally high or noncompetitive bid, and any other form of bid submitted for the purpose of giving a false appearance of competition.
6. Failure to submit an affidavit with the bid proposal in compliance with these instructions may result in disqualification of the bid.

NONCOLLUSION AFFIDAVIT

AEC Administrator RFP

State of _____:

County of _____: S.S.

I state that I am _____ **(Title)** of _____ **(Name of Firm)** and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

(1) The price(s) and amount of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, proposer or potential proposer.

(2) Neither the price(s) nor the amount of this bid, and neither the approximate price(s) nor approximate amount of this bid, have been disclosed to any other firm or person who is a proposer or potential proposer, and they will not be disclosed before bid opening.

(3) No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive bid or other form of complementary bid.

(4) The bid of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive bid.

(5) _____ **(Name of Firm)**, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:

I state that _____ **(Name of Firm)** understands and acknowledges that the above representations are material and important, and will be relied on by the **Pennsylvania Public Utility Commission** in awarding the contract(s)/purchase order(s) for which this bid is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the Purchasing Agency of the true facts relating to the submission of this bid.

(Signature)_____
(Signatory's Name)_____
(Signatory's Title)

SWORN TO AND SUBSCRIBED
BEFORE ME THIS _____ DAY
OF _____ 20____

Notary Public My Commission Expires _____

**PROPOSAL COVER SHEET
AEC Administrator RFP
Pa PUC RFP-2015-2**

**COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Public Utility Commission
Bureau of Technical Utility Services**

Enclosed in one package are three separately sealed submittals that constitute the proposal of the Proposer identified below for the above-referenced RFP:

Proposer Information:	
Proposer Name	
Proposer Mailing Address	
Proposer Website	
Proposer Contact Person	
Contact Person's Phone	
Contact Person's E-Mail	
Proposer Federal ID Number	

Submittals Enclosed and Separately Sealed:	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Disadvantaged Business Submittal
<input type="checkbox"/>	Cost Submittal

Signature	
Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer's proposal:	
Printed Name	
Title	
Date	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSER'S PROPOSAL

RFP TRANSMITTAL LETTER

**Pennsylvania Public Utility Commission
Bureau of Technical Utility Services
Alternative Energy Credits Administrator
Pa PUC RFP-2015-2**

<date>

[Company Name]

[Address]

[City, State Postal Code]

Dear Mr./Ms. **[Contact]:**

You are invited to submit a proposal for the Alternative Energy Credits Administrator Contract in accordance with the enclosed request for proposal.

All proposals must be submitted to the address stated in Section I-11 of the RFP no later than 3 p.m., July 9, 2015, as stated in the Calendar of Events. Late proposals will not be considered regardless of the reason.

All questions should be submitted by email (with subject line “RFP-2015-2 AEC Administrator RFP Question”) to Darren D. Gill at dgill@pa.gov no later than May 29, 2015, as stated in the Calendar of Events. All Proposers will be provided with written answers to questions asked by any Proposer by June 22, 2015, as stated in the Calendar of Events.

In addition, a pre-proposal conference will be held on June 10, 2015 at 1 p.m. in Executive Chambers, Third Floor, Commonwealth Keystone Building, 400 North St., Harrisburg PA 17120. Questions may also be submitted at the pre-proposal conference, which will also be answered by June 22, 2015. Attendance at the pre-proposal conference, either by teleconference or in person, is mandatory.

Sincerely,

Darren D. Gill
Issuing Officer/Project Officer
Deputy Director
Bureau of Technical Utility Services

Enclosure: Request for Proposal

Alternative Energy Credits Administrator Contract

This Contract is entered into by _____ (“Contractor”) and the Pennsylvania Public Utility Commission (“Commission”).

Incorporation by Reference. The Request for Proposal and all exhibits, appendices, addenda, and other attachments thereto, and the Contractor’s Proposal and all exhibits, appendices, addenda, and other attachments thereto, are hereby incorporated into this Contract by reference.

I. Covenants of the Parties.

The parties to this Contract agree and promise that:

A. Subject in all respects to the terms and conditions of this Contract and to the duties and limitations contained in the statutory and common law of the Commonwealth of Pennsylvania, the Contractor shall perform as the Alternative Energy Credits Administrator (“AEC Administrator”) for the Commission. The duties of the AEC Administrator shall be completed as outlined in and in accordance with the promises, warranties and representations contained in the Contractor’s Proposal (“Proposal”) and the Request For Proposals (“RFP”).

B. The Commission by its agent, the Project Officer and other designated staff, as described below, shall have the right and opportunity to participate actively in the activities of the Contractor, and to this end shall have immediate access to all data, models, and other materials or information of the Contractor related to this project.

C. All data, models, reports, information, databases, developed software, database search queries, software instructions or templates, and any other documentation or software created, utilized, or received by the Contractor or its employees or any subcontractors or their employees during this AEC Administrator Project (or “Project”) shall become the property of the Commission. The Contractor is working for hire of the Commission, and the Contractor or its employees or any subcontractors or their employees expressly agree that any copyrights or other intellectual property created by the Contractor or its employees or any subcontractors or their employees during the course of its work on this Project shall be property of the Commission. Contractor agrees to obtain such copyrights and other intellectual property rights from its employees and any subcontractors or their employees to effectuate Commission’s ownership of such rights. Contractor shall have a non-exclusive, unrestricted license from the Commission to use any such copyrights or other intellectual property created by the Contractor or its employees or any subcontractors or their employees during the course of their work on this Project. Contractor’s non-exclusive, unrestricted license to use any such copyrights or other intellectual property shall be irrevocable and shall continue in perpetuity after the termination of the Contract.

II. Party Representatives and Payment.

A. Project Officer and Contractor Representative

1. The Commission has designated Darren D. Gill, Deputy Director of the Bureau of Technical Utility Services, telephone number (717) 783-5244 and email dgill@pa.gov as its staff contact ("Project Officer") and has authorized him/her to act on behalf of the Commission under this Contract. The Project Officer may appoint members of the Commission staff or its designees to represent him/her as appropriate.
2. The Contractor has designated _____ telephone number _____, and email _____ as its staff contact ("Contractor Representative") and has authorized him/her to act as the lead contact on behalf of the Contractor under this Contract.
3. The parties agree to communicate fully with each other through the designated representatives and to keep each other informed of all pertinent matters and developments relating to the AEC Administrator Project.

B. Expenses and Payment

1. Payment. As provided in Section I-28 "Payment" of the RFP and hereafter.
2. The Project Officer shall have the right and opportunity to approve, in whole or in part, each invoice. The basis for the Project Officer's approval shall be a finding that the expenses are reasonable, necessary and correct and billed in accordance with the provisions of this Contract. Such approval or payment may be withheld if the following items are not included in the invoice:
 - a) A list of the individuals, by name and title, who have worked during the invoice period;
 - b) The hourly rates of these individuals as stated in the Proposal;
 - c) The number of hours spent by each individual;
 - d) A listing by category of materials and supplies purchased during the invoice period;
 - e) A list of transportation lodging, and meal expenses by each individual incurring such costs during the invoice period and the basis for calculating such costs; and
 - f) The specific dates when services were rendered.
3. The approval of the Project Officer may also be withheld as to any costs that are not just, reasonable, or in conformity with costs in the Proposal.
4. The total amount paid the Contractor under this Contract shall not exceed the following amounts except as provided in the RFP regarding approved additional expenditures.

Total Contract Price: \$xxx, xxx

5. No expenditures will be reimbursed if they were incurred before the effective date of this contract.
6. All charges for services and other costs charged by the Contractor are subject to review at any time by the Commission.

III. Other Rights of Parties.

A. Commission's Right to Disapprove Expenditures

The Commission shall have the right to approve or disapprove invoice expenditures and may adjust payment to the Contractor for the amount of any disapproved expenditure. The Contractor will not be paid for any cost incurred for services not in compliance with the terms of this contract.

B. Commission's Right to Make Amendments and Changes to Contract

Subject to the terms and conditions of this Contract and to the statutory and common law of the Commonwealth of Pennsylvania, the Commission shall have the right to make changes in the Statement of Work in the Proposal, provided that any such changes are within the general scope of the Statement of Work, that payment for work performed under such changes shall be made pursuant to the Proposal, and that the total cost of this contract is not exceeded.

C. Confidentiality

1. The parties recognize that it will be necessary for the Contractor to review certain proprietary information of the Commission. Accordingly, the Contractor and the Commission have or will execute a Nondisclosure Agreement that is substantially similar to the Nondisclosure Agreement attached hereto as Exhibit 1. The executed Nondisclosure Agreement is hereby incorporated into this Contract by reference.
2. The Contractor may not release of any information concerning the AEC Administrator Project other than the existence and nature of the Contractor without the prior written approval of the Commission's Project Officer or his/her designee.

D. Termination

The Commission reserves the right to terminate this Contract with thirty (30) days' notice to the Contractor if the Contractor's performance is, in the sole view of the Commission, unsatisfactory and not in keeping with the Proposal and the RFP, and/or for any material breach of the terms contained herein. In the event of a material breach of the Contract terms, the Project Officer shall inform the Contractor's Representative of the breach. The Contractor shall have ten days in which to cure the breach to the satisfaction of the

Commission. This provision shall not be construed as a limitation on remedies by the Commission for breach of this Contract by the Contractor.

IV. Other Agreements by the Parties.

A. Status of Contractor

The parties hereto agree that the Contractor and any agents and employees of the Contractor shall act, in the performance of this Contract, in an independent capacity and not as officers, employees or agents of the Commission.

B. Interest of Contractor

The Contractor warrants that it presently has no interest and promises that it shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor agrees that in the performance of this Contract, it shall not knowingly employ any person having such interest. The Contractor further certifies that no member of the board of the Contractor or any of its officers or directors have such an adverse interest. Contractor personnel who perform the services are employees of the Contractor (or its subcontractors) and the Contractor will be solely responsible for payment of compensation to such persons. The Contractor agrees to indemnify, defend, and hold harmless the Commission for any claim asserted against the Commission alleging that the Commission is an employer, co-employer or joint employer of any Contractor or subcontractor personnel. The Contractor will assume full responsibility for payment of all federal, state, provincial and local taxes, withholding or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to such persons. Should the Commission be required to pay any amount to a governmental agency for failure to withhold any amount as may be required by law, the Contractor agrees to indemnify, defend and hold harmless the Commission for any amount so paid, including interest, penalties and fines. The Contractor is not an agent of the Commission and has no authority to represent the Commission as to any matters, except as expressly authorized in this Contract.

C. Disputes

All questions arising respecting any matter pertaining to this Contract or any part thereof or any breach of contract arising thereunder shall be referred to the Project Officer. Any dispute which cannot be settled by negotiations after submission to the Project Officer shall then be submitted to the Commission for resolution. The provisions of this paragraph shall not be construed to limit the remedies of the Commission or the Contractor for breach of this Contract, nor shall it limit the Commission or the Contractor's rights to appeal to the Commonwealth Court after resolution by the Commission. This provision shall not be construed as an arbitration provision that provides the Commission with arbitration powers.

D. Conflicts between the Contract, the RFP, and the Proposal

Whenever a provision of the Proposal conflicts with the Contract or the RFP, the provisions of the Contract and the RFP prevail over the Proposal.

E. Integration Clause

This Contract, and all exhibits, appendices, addenda, and other attachments thereto, constitutes the entire agreement between the parties, subject to the provisions of paragraph G "Amendments" below. No other agreements, whether oral or written, or outside conditions, warranties, or understandings regarding the subject matter of this Contract shall be deemed to exist for purposes of interpreting this Contract, nor shall any such agreements be enforceable against the Commission or the Contractor.

F. Amendments

No amendment or modification changing the scope or terms of this Contract shall have any force or effect unless it is in writing and signed by all parties except as provided in this Contract.

G. Applicable Law

This Contract shall be interpreted, construed, and governed by the laws of the Commonwealth of Pennsylvania. Contractor expressly submits to the personal and subject matter jurisdiction of the Courts of the Commonwealth of Pennsylvania.

H. Assignment and Delegation

Neither this Contract nor any of its benefits or duties may be assigned or delegated by subcontract or otherwise, except for those subcontracts specifically identified by this Proposal, without prior written approval by the Commission. Any subcontract shall contain all of the provisions of this Contract.

I. Severability

If any provision of this Contract is invalid, the remainder of the Contract shall not be affected thereby if the essential terms and conditions of the Contract remain valid, legal and enforceable.

J. Non-Waiver

No provision of this Contract can be waived by any party unless made in writing and signed by the party against whom waiver is sought; nor shall the failure by any party to, at any time or on multiple occasions, require performance of any provision hereof be construed as a waiver of future enforcement thereof; nor shall waiver by any party of any breach hereof be construed as a waiver of any future breach.

K. Time of the Essence

Time is of the essence in this Contract and any failure to perform any of the terms hereof in the time and manner specified shall be deemed a material breach of this contract.

L. Effective Dates

The effective date of this Contract shall be fixed by the Issuing Office after the Contract has been fully executed by the Contractor and the Commission and all approvals required by the Commonwealth contracting procedures have been obtained.

M. Insurance

During the performance of the work covered by this Contract, the Contractor shall maintain the following minimum insurance coverage at no additional cost to the Commission:

1. Workers' Compensation Insurance as required by law.
2. Employer's Liability Insurance (bodily injury) of \$1,000,000 per accident, and Employer's Liability Insurance (occupational diseases) of \$1,000,000 per person and \$2,000,000 in the general aggregate.
3. Comprehensive General Liability Insurance of \$1,000,000 each person; \$1,000,000 each occurrence for bodily injuries; and \$1,000,000 for property damage.
4. Comprehensive Automobile Liability Insurance covering all owned and hired vehicles of \$1,000,000 each person, \$1,000,000 each accident for bodily injuries, and \$1,000,000 each accident for property damage.

The insurance called for above is subject to the normal limitations and exclusions applying to each type of insurance; provided, however, that first dollar coverage shall be provided for each type. The Commission will be named as an additional insured on the policies referred to in 2, 3, and 4 above and such insurance shall be endorsed to require the insurer to furnish the Commission with ten (10) days written notice prior to the effective date of any cancellation of insurance.

Upon request, the Contractor shall furnish the Commission with certificates or other documentary evidence showing that the insurance to be carried by the Contractor in accordance with this paragraph has been arranged.

O. Indemnity

The Contractor agrees and undertakes to indemnify, defend, and hold harmless the Commission and its agents, employees and subcontractors against any and all liabilities, claims, damages, causes of action, judgments, costs and expenses, including reasonable attorneys' fees, in any way relating to or arising out of any action or operation of the Contractor and its agents, employees and subcontractors, including but not limited to personal injury or property damage, including but not limited to injury or damage to the

person or property of the Commission or the Contractor, or their respective agents, employees, or subcontractors, and shall, at the request of the Commission, defend any and all actions brought against the Commission and its respective agents, employees, and subcontractors based upon any and all such claims or demands. The Contractor expressly waives use of the “statutory employer” defenses provided in the Pennsylvania Worker’s Compensation Act at 77 P.S. § 481(a) and (b) and 77 P.S. § 52 with regard to this indemnity.

P. LIMITATION OF LIABILITY

IN NO EVENT, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT (INCLUDING NEGLIGENCE AND GROSS NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL THE COMMISSION OR ITS RESPECTIVE AGENTS, EMPLOYEES AND SUBCONTRACTORS, BE LIABLE TO THE CONTRACTOR FOR SPECIAL INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHATSOEVER INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUE OR COST OF CAPITAL.

Q. Immunity

Nothing contained in this Contract shall be construed as a waiver of the immunity of the Commonwealth or the Commission against suit.

R. Jurisdiction

It is understood and agreed that actions undertaken by the Contractor pursuant to this Contract shall be limited to matters within the jurisdiction of the Commission.

S. Employees, Background Checks, Substance Abuse

1. Contractor shall employ for the work only persons known to it to be experienced, qualified, reliable, and trustworthy. At the request of the Commission Project Officer, the credentials of any of Contractor’s employees assigned to perform the work shall be submitted in advance of such assignment. During the performance of the work, the Commission staff may object to any Contractor’s employee, who, in their opinion, does not meet these criteria. In such case, Contractor shall at its expense and risk, immediately replace and remove such employee and promptly advise the Commission’s Project Officer.

2. Background checks. Contractor shall make best efforts to ensure that Contractor’s employees assigned to work on this Project do not have criminal records and are not involved in criminal activity which could create a risk of fraud/embezzlement and/or a risk to the Commission’s property and employees.

Contractor will obtain criminal background checks for all employees, including but not limited to employees of all subcontractors, for this Project who will visit or otherwise have physical contact with the public, or with the public’s premises or property, prior to such employee performing work on the Project. Criminal background checks will be checked at

least every year for such employees. Contractor will maintain up-to-date records evidencing such criminal background checks.

Upon actual knowledge of a criminal record or involvement in a potentially criminal activity, including but not limited to threats, harassment, or other abuse, Contractor shall immediately remove any such employee or employees from the work and immediately contact the Project Officer to inform them of the circumstances. The Project Officer may, at any time, request that the Contractor verify that an employee of the Contractor or its subcontractors does not possess a criminal record.

- a. Contractor shall provide certification for each of the Contractor's employees who are authorized as part of the work to have electronic or unescorted physical access to critical cyber assets (as the same are identified from time to time), that such employee (i) has submitted to a Background Check within the past seven years whereby no evidence of a criminal record or criminal activity was discovered; (ii) is subject to a seven-year cycle re-check of the Background Check; and (iii) has received the Contractor-sponsored security awareness training or will receive such training prior to accessing critical cyber assets. These requirements are subject to audit by Commission staff.

3. Substance Abuse. Contractor agrees to comply with all applicable state and federal laws regarding a drug-free workplace. Contractor shall make a good faith effort to ensure that all Contractor's employees undertaking work will not be under the influence, purchase, transfer, use or possess illegal drugs or abuse alcohol or prescription drugs in any way. Upon actual knowledge of such activity or any such potential activity, Contractor shall immediately remove any such employee or employees from the work and immediately contact the Project Officer to inform them of the circumstances.

IN WITNESS THEREOF, intending to be legally bound, the Contractor and the Commission hereby execute this Alternative Energy Credits Administrator Contract.

	Title	Date
Contractor		

	Date
Robert C. Gramola Director of Administrative Services Pennsylvania Public Utility Commission	

	Date
Bohdan R. Pankiw Chief Counsel Pennsylvania Public Utility Commission	

Alternative Energy Credits Administrator Contract
Nondisclosure Agreement

The Pennsylvania Public Utility Commission ("Commission") and
_____ ("Contractor"), intending to be legally bound, hereby agree as follows:

1. As part of the Alternative Energy Credits Administrator Contract, it may be necessary for the Contractor to review data, books, records, and documents of the Commission and the general public that are considered to be confidential (proprietary information).
2. With respect to proprietary information provided under this Contract, the Contractor and its authorized representatives shall:
 - (a) Hold the proprietary information in confidence;
 - (b) Restrict disclosure of the proprietary information only to persons authorized under this Agreement who have a need to know;
 - (c) Use the proprietary information solely in connection with the Contractor's work on the Contract;
 - (d) Not disclose the proprietary information publicly or privately to any third party in any manner; and
 - (e) Advise the Contractor's representatives of their obligation with respect to the proprietary information.
3. The Consultant may make proprietary information available to the Commission's Staff under this Agreement provided, however, that in the event of such disclosure, the Commission's Staff shall also be bound by the terms of this Nondisclosure Agreement.
4. Proprietary information that is provided to the Contractor and/or Commission Staff will be protected from disclosure as proprietary information until such time as the Commission (or court of competent jurisdiction, if an appeal of a Commission determination is taken) rules that the documents are non-proprietary and, therefore, subject to public disclosure.
5. The Contractor recognizes that the provisions of this Nondisclosure Agreement are vitally important to the welfare of the Commission and other entities providing information pursuant to the Contract and that money damages may not be an adequate remedy for any violation by the Contractor thereof. Accordingly, in the event of any breach or violation by the Contractor of the provisions thereof, the Commission or other entity may institute and maintain a proceeding to compel specific performance by the Contractor thereof or to issue an injunction restraining such breach or violation hereunder by the Contractor.
6. Nothing in this Nondisclosure Agreement shall otherwise affect, abridge, increase, or decrease the statutory authority of the Commission to investigate or inspect the facilities and data, books, records, and documents of a regulated entity, or to examine records of the cost to a

regulated entity's affiliates for providing services or furnishing property to a regulated entity (where applicable) as permitted by the statutory and common law of the Commonwealth of Pennsylvania.

7. Nothing contained in this Nondisclosure Agreement shall affect, abridge, increase, or decrease the ability of the Commission to appeal to the Commonwealth Court to protect its rights.

8. This Nondisclosure Agreement may be executed in counterpart.

IN WITNESS THEREOF, intending to be legally bound, the Contractor and the Commission execute this Nondisclosure Agreement as Exhibit 1 of the Alternative Energy Credits Administrator Contract.

(Contractor)

(Date)

Robert C. Gramola
Director of Administration
Pennsylvania Public Utility Commission

(Date)

Bohdan R. Pankiw
Chief Counsel
Pennsylvania Public Utility Commission

(Date)

NONDISCRIMINATION/SEXUAL HARASSMENT PROVISIONS

During the term of this Contract, CONTRACTOR agrees as follows:

1. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under this Contract or any subcontract, CONTRACTOR, subcontractor, or any person acting on behalf of CONTRACTOR or subcontractor, shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this PUC who is qualified and available to perform the work to which the employment relates.
2. Neither CONTRACTOR nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under this Contract on account of gender, race, creed, or color.
3. CONTRACTOR and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. CONTRACTOR and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which this Contract relates.
5. CONTRACTOR and each subcontractor shall, within the time periods requested by the PUC, furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the PUC and the Department of General Services, for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If CONTRACTOR or subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the PUC or the Department of General Services.
6. CONTRACTOR shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The PUC may cancel or terminate this Contract, and all money due or to become due under this Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the PUC may proceed with debarment or suspension and may place CONTRACTOR in the Contractor Responsibility File.

RESPONSIBILITY PROVISIONS

1. CONTRACTOR certifies, for itself and all its subcontractors, that as of the date of its execution of this Contract, that neither CONTRACTOR, nor any subcontractors, nor any suppliers are under suspension or debarment by the PUC or any governmental entity, instrumentality, or authority and, if CONTRACTOR cannot so certify, then it agrees to submit, along with its Contract, a written explanation of why such certification cannot be made.

2. CONTRACTOR also certifies, that as of the date of its execution of this Contract, it has no tax liabilities or other PUC obligations.

3. CONTRACTOR's obligations pursuant to these provisions are ongoing from and after the effective date of this Contract through the termination date thereof. Accordingly, CONTRACTOR shall have an obligation to inform the PUC if, at any time during the term of this Contract, it becomes delinquent in the payment of taxes, or other PUC obligations, or if it or any of its subcontractors are suspended or debarred by the PUC, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

4. The failure of CONTRACTOR to notify the PUC of its suspension or debarment by the PUC, any other state, or the federal government shall constitute an event of default of this Contract with the PUC.

5. CONTRACTOR agrees to reimburse the PUC for the reasonable costs of investigation incurred by the Pennsylvania Office of Inspector General for investigations of CONTRACTOR's compliance with the terms of this or any other Contract between CONTRACTOR and the PUC, which results in the suspension or debarment of CONTRACTOR. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime, travel, and lodging expenses; and expert witness and documentary fees. CONTRACTOR shall not be responsible for investigative costs for investigations that do not result in CONTRACTOR's suspension or debarment.

6. CONTRACTOR may obtain a current list of suspended and debarred PUC contractors either by searching the Internet at www.dgs.state.pa.us, or by contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, Pennsylvania 17125
Phone: (717) 783-6472
Fax: (717) 787-9138

THE AMERICANS WITH DISABILITIES ACT PROVISIONS

1. Pursuant to federal regulations promulgated under the authority of *The Americans With Disabilities Act*, 28 C.F.R. § 35.101, *et seq.*, CONTRACTOR understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this Contract, CONTRACTOR agrees to comply with the *General Prohibitions Against Discrimination*, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of *The Americans With Disabilities Act* which are applicable to all benefits, services, programs, and activities provided by the PUC of Pennsylvania through contracts with outside contractors.

2. CONTRACTOR shall be responsible for and agrees to indemnify and hold harmless the PUC of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the PUC of Pennsylvania as a result of CONTRACTOR's failure to comply with the provisions of Paragraph 1 of this Exhibit.

CONTRACTOR INTEGRITY PROVISIONS

1. For purposes of these Integrity Provisions, the words “confidential information,” “consent,” “financial interest,” “gratuity,” and “Contractor” shall have the following definitions.

a. “Confidential information” means information that (1) is not already in the public domain; (2) is not available to the public upon request; (3) is not or does not become generally known to Contractor from a third party without an obligation to maintain its confidentiality; (4) has not become generally known to the public through an act or omission of Contractor; or (5) has not been independently developed by Contractor without the use of confidential information of the PUC.

b. “Consent” means written permission signed by a duly authorized officer or employee of the PUC, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the PUC shall be deemed to have consented by virtue of execution of this Contract.

c. “Financial Interest” means:

- (1) ownership of more than a 5% interest in any business; or
- (2) holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

d. “Gratuity” means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

e. “Immediate family” means a spouse and any unemancipated child.

f. “Contractor” means the individual or entity that has entered into this Contract with the PUC, including directors, officers, partners, managers, key employees, and owners of more than a 5% interest.

g. “Political contribution” means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the PUC of Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

2. Contractor shall maintain the highest standards of honesty and integrity in the performance of this Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the PUC.

3. Contractor shall be subject to the obligations of confidentiality with which lawyers must comply under the applicable Rules of Professional Conduct.

4. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Contractor's employee activity with the PUC and PUC employees, and which is distributed and made known to all employees of Contractor.

5. Contractor, its affiliates, agents and employees shall not influence, or attempt to influence, any PUC employee to breach the standards of ethical conduct for PUC employees set forth in the *Public Official and Employees Ethics Act*, 65 Pa.C.S. §§1101 et seq.; the *State Adverse Interest Act*, 71 P.S. §776.1 et seq.; and the *Governor's Code of Conduct, Executive Order 1980-18*, 4 Pa. Code §7.151 et seq., or to breach any other state or federal law or regulation.

6. Contractor, its affiliates, agents and employees shall not, in connection with this or any other Contract with the PUC, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the PUC.

7. Contractor, its affiliates, agents and employees shall not, in connection with this or any other Contract with the PUC, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the PUC.

8. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a PUC official or employee or to any other person, the acceptance of which would violate the *Governor's Code of Conduct, Executive Order 1980-18*, 4 Pa. Code §7.151 et seq. or any statute, regulation, statement of policy, management directive or any other published standard of the PUC.

9. Except with the consent of the PUC, neither Contractor nor anyone in privity with Contractor shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under this Contract except as provided therein.

10. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to the PUC in writing and the Office of PUC consents to Contractor's financial interest no later than Contractor's submission of the contract signed by Contractor, and prior to PUC execution of the contract.

11. Contractor, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Contractor under this Contract without the prior written approval of the PUC, except as required by the *Pennsylvania Right-to-Know Law*, 65 P.S. §§ 67.101-3104, or other applicable law or as

otherwise provided in this Contract. Any information, documents, reports, data, or records secured by Contractor from the PUC or a third party in connection with the performance of this Contract shall be kept confidential unless disclosure of such information is:

- a. Approved in writing by the PUC prior to its disclosure; or
- b. Directed by a court or other tribunal of competent jurisdiction unless the contract requires prior PUC approval; or
- c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
- d. Necessary for purposes of Contractor's internal assessment and review; or
- e. Deemed necessary by Contractor in any action to enforce the provisions of this Contract or to defend or prosecute claims by or against parties other than the PUC; or
- f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain; or
- g. Otherwise required by law.

12. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has not been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the PUC in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:

- a. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- b. Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by Contractor or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:
 - (1) obtaining;
 - (2) attempting to obtain; or
 - (3) performing a public contract or subcontract.

Contractor's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

- c. Violation of federal or state antitrust statutes.

- d. Violation of any federal or state law regulating campaign contributions.
- e. Violation of any federal or state environmental law.
- f. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.
- g. Violation of the *Act of June 2, 1915 (P.L.736, No. 338)*, known as the *Workers' Compensation Act*, 77 P.S. 1 *et seq.*
- h. Violation of any federal or state law prohibiting discrimination in employment.
- i. Debarment by any agency or PUC of the federal government or by any other state.
- j. Any other crime involving moral turpitude or business honesty or integrity.

Contractor acknowledges that the PUC may, in its sole discretion, terminate the contract for cause upon such notification or when the PUC otherwise learns that Contractor has been officially notified, charged, or convicted.

13. Contractor must, (as required by *Section 1641* of the *Pennsylvania Election Code*) file a report of political contributions with the Secretary of the PUC on or before February 15 of the next calendar year. The report must include an itemized list of all political contributions known to Contractor by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:

- a. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the preceding year; or
- b. Any employee or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.

To obtain a copy of the reporting form, Contractor shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

14. Contractor shall comply with requirements of the *Lobbying Disclosure Act*, 65 Pa.C.S. § 13A01 *et seq.*, and the regulations promulgated pursuant to that law. Actions by outside lobbyists on behalf of Contractor are not exempt and must be reported.

15. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, including but not limited to contact by a PUC officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the PUC in writing.

16. Contractor, by execution of this Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that it has not violated any of these Integrity Provisions.

17. Contractor shall cooperate with the Office of the Inspector General in its investigation of any alleged PUC employee breach of ethical standards and any alleged Contractor non-compliance with these provisions. Contractor agrees to make identified employees of Contractor available for interviews at reasonable times and places. Contractor, upon the inquiry or request of the Inspector General of the PUC or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents, or files of any type or form that refer to or concern this Contract. Such information shall be retained by Contractor for a period of three years beyond the termination of this Contract unless otherwise provided by law.

18. For violation of any of the above provisions, the PUC may terminate this and any other Contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend Contractor from doing business with the PUC. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the PUC may have under law, statute, regulation or otherwise.

**SMALL DIVERSE BUSINESS
LETTER OF INTENT**

[DATE]

[SDB Contact Name

Title

SDB Company Name

Address

City, State, Zip]

Dear [SDB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB)] on RFP [RFP number and Title] issued by the [Commonwealth agency name].

If [Offeror] is the successful vendor, [SDB] shall provide [identify the specific work, goods or services the SDB will perform, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided].

These services represent [identify fixed numerical percentage commitment] of the total cost in the [Offeror's] cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that [SDB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial contract term.

[SDB] represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to [Offeror] for its SDB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name

Title

Company

Phone number

SDB Name

Title

Company

Phone number