

**REQUEST FOR QUALIFICATIONS (RFQ)**

**ENGINEERING PROFESSIONAL SERVICES**

**FOR**

**MUNICIPAL ENERGY DISTRIBUTION SYSTEM  
ENERGY CONSULTANT SERVICES**

Request for Qualifications Due 2:00 pm October 26, 2023

**Issued By:  
City of Norfolk  
Public Works Department**

## **CITY OF NORFOLK NEBRASKA**

### **REQUEST FOR QUALIFICATIONS:**

### **ENERGY CONSULTANT SERVICES**

#### **Section I - General**

The City of Norfolk is soliciting qualifications from energy consultants to provide professional energy consulting services to assist the City in structuring and negotiating a new Professional Retail Operations Agreement with Nebraska Public Power District, NPPD and other consulting services related to energy conservation, micro grid development, and alternative energy development.

In 2019, NPPD presented the City with a potential new agreement a "Professional Retail Operations Agreement" (PRO Agreement) that would replace the current Distribution Lease Agreement which was last amended June 6, 2005. This new PRO Agreement would allow for up to 10% renewable energy mix (which the city currently has maximized in a 8.5 MW solar array), allow for increasing the lease payment to the City from 12% to 14%, allow for a Miscellaneous Municipal-Rider option, and make structure and language changes to the current Distribution Lease Agreement.

The City desires to contract with an Energy Consultant to assist the City in structuring and negotiating a new PRO Agreement with NPPD for the retail operation and maintenance of the City's electrical distribution system. The proposed new PRO Agreement needs to ensure the City's electrical distribution system is maintained and upgraded to sustain a better than good condition according to the most current and applicable standards for municipal electrical distribution systems. A new PRO Agreement should also identify and incorporate maintenance and upgrades which may be community specific.

#### **Section II - Background:**

The City and NPPD (formerly Consumers Public Power District) entered into an agreement titled "Agreement Relating to the Sale of Electric Property and Electric Supply and Distribution" on June 20, 1966. This Agreement was amended on August 16<sup>th</sup> 1971, May 16 1983, February 4<sup>th</sup> 1985, and November 20<sup>th</sup> 1990. The original 1966 agreement as amended was finally terminated via the November 1990 amendment with a termination effective date of January 1, 1991. The November 1990 amendment also approved a Distribution System Lease Agreement with Wholesale Power Contract. This new agreement has been amended three times, July 1<sup>st</sup> 1993, February 2<sup>nd</sup> 2002, and June 6<sup>th</sup> 2005. The second amendment, (February 2, 2002) separated the Distribution Lease Agreement and Wholesale Power Contract into two separate agreements. The second amendment also established the following agreement term:

"This agreement shall become effective on January 1, 1991 and shall continue in force for an initial term of twenty-five (25) years until January 1, 2016, and shall be renewed for a term of fifteen (15) years commencing on January 1, 2016 and continuing until January 1, 2031, unless terminated on an anniversary thereof by at least five (5) years prior written notice given by either party to the other, which notice can be given at any time on and after July 1, 2010, during

the initial term hereof or anytime during the renewal hereof; provided, however, upon any such termination of this agreement at the end of the initial term or during the renewed term, pursuant to this Article I, the City agrees to continue to take services from NPPD under NPPDs standard Wholesale Power Contract in effect at the time of such termination for other customers of NPPD under similar conditions of service modified to include the provisions of Article XII Privatization, which contract shall remain in effect for a term of 10 years after such termination or through December 31, 2030, whichever ever comes first. Should City give NPPD notice of early termination, NPPD agrees to surrender the City's Distribution System to City at the end of the five (5) years notice period. In the event that NPPD is privatized (ie. It is converted into a taxable, non-public power entity) the City shall have the right to immediately terminate this agreement, or any subsequent Wholesale Power Contract between the City and NPPD".

Based on the dates provided in the paragraph above the City needs to engage with NPPD in the negotiation of a new PRO Agreement or make a decision to terminate the existing lease agreement per the time frames noted in the clause above.

### **Section III - Statement of Work**

#### **A. The independent consultant will assist the City with the following:**

1. Review the City's options for management of its energy distribution system and provide the City with a brief report of those options.
2. Review the current Distribution Lease Agreement and Wholesale Power Contract
3. Review the proposed Professional Retail Operations Agreement and related options and riders
4. Meet with City staff and elected officials to discuss the current contracts and proposed Pro Agreement
5. Based on feed back from City staff and elected officials, develop recommendations for contract language and structure to include in a new Pro Agreement. Recommendations should be consistent with current industry standards for the retail operation, maintenance, and build out of the City's energy distribution system.
6. The City has the following specific needs to be discussed/included in a new agreement. These will be vetted by the consultant and may be modified or added to by the consultant following the consultants review of existing and proposed contracts/agreements.
  - a. A step up clause during the term of the agreement for increasing the percentage of renewable energy mix allowed by the agreement
  - b. Support for renewable energy projects outside the City's current 10% renewable cap either owned by the City or NPPD. These may be for economic development purposes or to increase the City's use of renewable energy behind the meter. NPPD has provided potential contract language for a Renewable Energy Participation Program that may meet these requirements.
  - c. A term for a new PRO Agreement that is ten or fifteen years rather than twenty (20) years or more.
  - d. Assurances that the distribution system is maintained in excellent repair.
  - e. Specific maintenance standards and benchmarks need to be referenced in the contract and the contract should refrain from using vague or subjective standards for maintenance and upgrade of the system.
  - f. A system Condition Assessment report prepared by an independent consultant (Selected by the City) on a three (3-5) year frequency

- g. City ability to negotiate system improvements based on the findings in the System Condition Assessment report.
  - h. Regular reports from NPPD on the operational status of the system. A report card per say of the quarterly operations.
  - i. Requirement for the relocation of one half to one mile per year of overhead power to underground power during the term of the contract including any amendments.
7. Draft recommend language for a new PRO Agreement and meet with City staff and elected officials to review recommended contract language.
  8. Provide an analysis/comparison/assessment of a new PRO Agreement along with the City's options in lieu of a new PRO Agreement.
  9. Present a recommendation for a proposed new PRO Agreement to City staff and/or answer any questions City staff and elected officials may have during the decision making process
  10. Work with City staff to negotiate preferred PRO Agreement terms.
  11. Be available for questions from City Staff or the City Council during the procurement of a new distribution lease agreement.

**B. The energy consultant may be asked to perform the following services during the term of the contract as additional scope items.**

1. Analyze peak hours of City facility electricity usage.
2. Advise on energy reduction projects, demand response programs, and alternative energy projects for consideration by the City.
3. Analyze the potential for Micro Grid projects
4. Make recommendations concerning possible energy reduction/cost-saving measures.
5. Provide assistance with grants related to renewable energy, energy reduction, micro grids, and EV infrastructure.

**Section IV - Statement of Qualifications – Required Information**

**A. Confirmation of Independence**

1. In order to be considered for selection, all responders must have a section in their response package that addresses the issue of independence /conflict of interest.
2. Failure to address this issue will be cause for disqualification.
3. The following items will be reviewed and should be confirmed in the submittal:
  - a. The respondent or his/her firm does not engage in the sale of energy.
  - b. The respondent must disclose any potential conflict of interest(s).
  - c. The respondent and/ or his/her firm must show experience and knowledge of the energy distribution and retail operation industry in an independent manner outside of any retail energy provider(s).
  - d. Attachment A should be submitted in conjunction with this information.

**B. Statements of Qualification submittals should address and document the following criteria:**

1. *Documentation of relevant experience- (40 points):*
  - a. Experience in negotiating contracts for counties, cities, schools, & other entities that operate and manage their energy distribution system: identify the entities you have done this work for.

- b. List of 3 references with contact information where the proposed consultant has assisted in retail operations and management of an energy distribution system.  
(Attachment A)
2. *Documentation showing a capacity to perform- (35 points):*
  - a. Provide resumes on key personnel that have more than 5 years of experience working in energy markets.
  - b. Identification of who will be assigned to the City's account; include the qualifications; and agree to notify the City of any changes.
3. *A statement demonstrating a knowledge of rules, regulations, codes and other information- (15 points)*
  - a. Knowledge of Nebraska Rules and regulation related to the retail operation and maintenance of a municipal energy distribution system
  - b. Provide written information communicating your knowledge of rules, regulations, codes and other information.
4. *A statement demonstrating the understanding and capacity to bring suggestions and ideas for energy saving within the City energy use- (10 points)*
  - a. Identify some of the more traditional savings efforts you can coordinate with City.
  - b. Be able to propose other non-traditional ideas and/or efforts that may result in reduced energy consumption and/or reduced energy costs.

**C. Additional information may be requested**

1. Qualifiers may be asked to interview/present with the City's Evaluation Committee.
2. Any cost associated with the preparation of the RFQ's or for the interview process is the sole responsibility of the consultant.

**Section V- Price Consideration**

**A. General Services (as identified in Section III)**

1. City expects to negotiate a fee structure with the consultant after the consultant has been ranked by the City and after a complete list of deliverables is agreed upon.
2. Consultant shall provide a range of the total cost they believe Section A III will require to complete.

Deadline for questions is **5:00 PM, Thursday October 12<sup>th</sup>, 2023.**

Questions should be directed to [srames@norfolkne.gov](mailto:srames@norfolkne.gov)

Deadline to respond to RFQ is **2:00 PM, Thursday, October 26, 2023.**

Electronic RFQ submittals responses shall be sent to: [ksvitak@norfolkne.gov](mailto:ksvitak@norfolkne.gov)

Written responses will be received by the City Clerks Office at:

Norfolk City Hall, 309 N. 5<sup>th</sup> Street, Norfolk, Nebraska 68701

**Attachment A**

RFQ Title: City of Norfolk – Energy Consultant Services

Proposer's Name: \_\_\_\_\_

**REFERENCES**

Please list three (3) references of current/past clients who can verify the quality of service your company provides. *THIS FORM MUST BE RETURNED WITH YOUR RFQ.*

**REFERENCE ONE** Government/Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Contact Person and  
Title: \_\_\_\_\_ Phone: e-mail address:  
\_\_\_\_\_ Contract Period:  
\_\_\_\_\_  
Scope of Work: \_\_\_\_\_

**REFERENCE TWO** Government/Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Contact Person and  
Title: \_\_\_\_\_ Phone: e-mail address:  
\_\_\_\_\_ Contract Period:  
\_\_\_\_\_  
Scope of Work: \_\_\_\_\_

**REFERENCE THREE** Government/Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Contact Person and  
Title: \_\_\_\_\_ Phone: e-mail address:  
\_\_\_\_\_ Contract Period:  
\_\_\_\_\_  
Scope of Work: \_\_\_\_\_