



REQUEST FOR QUALIFICATIONS

PROJECT NAME: Energy Performance Contract

DATE OF ISSUANCE: April 3, 2025

DOCUMENTS DUE: May 1, 2025

ISSUING OFFICE:

City of Muskegon
Department of Public Works
Attn: Dan VanderHeide, Director
Ref. Energy Performance Contract
1350 E. Keating Ave.
Muskegon, MI 49442
(231) 724-6993
dan.vanderheide@shorelinecity.com

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ATTACHMENTS:

- A: PSB Floor Plan
- B: City Hall Floor Plan
- C: Water Filtration Plant Layout
- D: Water System Extent Map

Note: Should any of the pages or documents listed above be missing from your packet, or if you have any questions regarding this RFQ, please contact Dan VanderHeide at the City of Muskegon via (231) 724-6993 or via E-mail at dan.vanderheide@shorelinecity.com

PROPOSAL & AWARD

The undersigned having become thoroughly familiar with and understanding of all the proposal documents attached hereto, agrees they are qualified to provide the services as described herein, subject to negotiation.

I hereby state that all of the information I have provided is true, accurate and complete. I hereby state that I have authority to submit this package, which may lead to a binding contract if selected by the City of Muskegon.

I hereby state that I have read, understand and agree to be bound by all of the terms of this request for qualifications document.

Signature _____ Title _____

Print Name _____ Date _____

Firm Name _____

Address _____

Telephone No. _____

E-Mail _____

Fax No. _____

INSTRUCTIONS TO SUBMITTERS

General

All qualifications must be submitted following the format supplied by the City of Muskegon in this document and shall be subject to all requirements of this document. The City may consider as irregular any qualifications package in which there is an alteration of or substantial departure from the information requested in the documents, and at its option may reject the same. Each submitter will include in their package a listing of any sub-consultant/contractor and the name and address of each which may be involved in the project. Before executing any subcontract, the successful firm shall submit the name and experience of any proposed subcontractor for prior approval.

Submittal of Qualifications

Three (3) copies of the qualification documents shall be submitted in a sealed envelope to:

City of Muskegon
Clerk's Office
933 Terrace St
Muskegon, MI 49440

The envelope shall be clearly marked on the exterior denoting the name of the firm submitting the qualifications and the name of the particular contract for which the package is offered. **The qualifications shall be submitted no later than 2:00 PM, May 1, 2025.**

Award/Rejection of a Contract

The City reserves the right to reject any and all submittals and to waive any irregularity in submittals received whenever such rejection or waiver is in the best interest of the City. The submitter to whom an award is made will be notified at the earliest possible date. All submitting firms will be notified when an award is made. Award will not be completed until recommended to and confirmed by the City Commission.

City Responsibilities

The City of Muskegon will provide information as to the City's requirements for the project and make available pertinent information which may be useful in the project work.

The City will designate a person to act as the City's Project Manager with respect to work to be performed. Such person will have the authority to transmit instructions, receive information, interpret and define the City's policies and make decisions with respect to the project.

The City will examine all studies, reports, estimates, proposals, and other documents prepared by the firm and render in writing, if necessary, decisions pertinent thereto within a reasonable time.

The City will direct the firm in writing to begin the work on each phase of the project upon receipt of written evidence from the firm of the appropriateness of such action.

The City will direct the firm in writing to furnish any special services, sub-consultants and/or extra work that may be required on the project upon receipt of written evidence from the firm detailing the cost, time schedule, and reason for such special service or extra work.

SPECIFIC PROJECT INFORMATION

Invitation

The City of Muskegon Department of Public Works (hereinafter referred to as “City”) desires to improve the energy efficiency, comfort and usefulness of its current Public Service Building (PSB) facility and identify ways the City’ DPW facilities can improve efficiency and coordination between departments. As such, the City seeks firms, experienced with Energy Performance Contracts (EPC), to evaluate the City’s DPW operations, analyze the existing facilities used, and make recommendations about how the City’s DPW facilities can better support those operations. Should the selected firm and the City agree to ways to improve the City’s DPW facilities, it is the City’s intent to contract with the selected firm for an Energy Performance Contract to make agreed upon improvements.

Background

While the primary motivation behind this RFQ is the City’s aging DPW facility located at 1350 E. Keating Avenue, the City recognizes that Energy Performance Contracts are a unique and flexible method of achieving multiple goals within a single effort. As such, the City provides this list of energy-intensive facilities and assets that *may* be considered for improvements under a contract if the firm and the City agree after assessments are completed. It is important to note that there is no guarantee that any of these facilities and assets will be a part of any award or contract.

1. The City’s Public Service Building (PSB) consists of approximately 35,000 in office and other improved spaces and approximately 65,000 in unimproved (garage) spaces, and sits on an 8.39 acre site. It includes a salt storage shed, a small amount of covered outside storage, and a fueling station. It was built in approximately 1972 and remains largely in the same state as when it was constructed.
2. Muskegon City Hall contains approximately 42,000 in finished office space plus miscellaneous and maintenance spaces. The City’s Police Department is housed within City Hall. The building was built in approximately 1969 and has been heavily modified compared to the original design. Plans provided are not current, but are the best available.
3. The City’s Water Filtration Plant, located at 1900 Beach Street, serves a population of approximately 100,000 in the City of Muskegon and in other communities through various wholesale agreements. The filtration plant is a union of several facilities built during expansions and improvements ranging from the 1930s to the early 2000s. The plant currently has a rated capacity of 40 million gallons per day (MGD), with an average day of approximately 10 MGD and a peak day of about 20 MGD. The City owns a single large secondary pump station and reservoir located near the southeast corner of the City, as well as three elevated storage tanks (no pumping or other substantial infrastructure is associated with the elevated tanks). From the filtration plant facility, City staff manage and control pumps and tank levels throughout the system via SCADA (including most wholesale customer areas). Note that it is not the intent of this contract to make operational changes or substantial improvements to the water system or filtration plant; rather, this information is provided for the purpose of understanding the City’s energy and controls footprint.
4. The City’s water distribution system has approximately 13,000 accounts with 16,000 meters of various sizes and ages. The City’s sanitary sewer collection system has 17 lift (pump) stations of various sizes and ages.

Furthermore, the City has recently worked with a consultant to create a Climate Action Plan (CAP). This is a direct outcome of a resolution passed by the City Commission directing staff to begin climate action planning with the goal of eliminating the City's carbon footprint by 2040, and was informed by a Greenhouse Gas (GHG) Inventory performed with a 2022 fiscal year baseline (which will be updated in the CAP). The GHG Inventory and CAP are intended to inform high-value actions, including deliberative budget, policy, and administrative actions, which an Energy Performance Contract may assist with. Consultants may review the GHG Inventory and the City's Climate Resolution at <https://muskegon-mi.gov/city-services/elected-officials/climate-action/>. The CAP (currently under development) will be provided to the selected consultant once available (expected in the second quarter of 2025).

In addition to the PSB, the City DPW has several other storage buildings and sites. The City is not seeking specific recommendations regarding upgrades or improvements to these locations, but they are helpful in understanding the City's operations and how the PSB serves as a hub, and do impact the City's energy footprint. They are not significant enough to affect the City's ability to interpret a given firm's experience and qualifications, and information on these small additional assets and facilities will be provided to the selected firm.

Project Schedule

Given the unknown nature of components to be included in an EPC, a formal schedule is not required at this time. That said, the timing of this RFQ is intended to provide time for the selected consultant to advise the City on project budgeting during the next fiscal year and beyond. The City runs on a July 1 to June 30 fiscal year.

CONTENTS OF SUBMITTAL

Responses must be submitted in the format outlined in this section. The City reserves the right to eliminate from further consideration any response that is deemed to be substantially or materially unresponsive to the requests for information contained in this section.

Executive Summary

Responses may include an abstract of no more than three pages on the information presented in the proposal and the contractor's unique qualifications and services.

Qualifications and Experience

1. Firm Profile

- a. Firm name, corporate address, local address and type of firm
- b. Main contact person with full contact information
- c. Year firm was established
- d. Years of experience in the energy business
- e. Years of experience in performance contracting
- f. Number and value of performance contracts in effect
- g. Number of performance contracts for municipal clients
- h. Financial Stability
 - i. Describe the financial soundness and stability of the firm.
 - ii. Submit the most recent annual summary (1-3 pages) of the annual Statements of Financial Conditions dated within the past twelve (12) months, along with name, address, and the telephone number of firm(s) that prepared the financial statements.
- i. NAESCO Accreditation. State whether your firm is Accredited with the National Association of Energy Services Companies (NAESCO). **Note: Firms must be NAESCO Accredited to be considered.**

2. Project Experience

- a. Provide a minimum of five performance contracting references for projects of similar size, scope and complexity indicating your firm's recent experience with local government clients. Each project description shall describe the services provided, project cost, savings amount and contract term in a maximum of two pages each. Emphasis should be placed on projects that were completed by the branch office and/or personnel proposed for this project. Client names with a contact person's phone number shall be listed.
- b. Provide an overview of the performance contracts your firm has implemented in the past three years, including client, project cost and guaranteed savings.

3. Ongoing Service and Maintenance Capabilities

- a. State the location of your nearest servicing office and provide an overview of your firm's capabilities for servicing the installed equipment, as well as procedures for handling emergencies.
- b. Describe maintenance services provided by the Firm, including a description of the service organization and personnel directly employed by the Firm. Include a list of

services provided and the ability to provide “truck-based services.”

4. Training. Describe your firm’s proposed approach to providing technical training for City personnel, noting training sites and methodologies.
5. Bonding, Warranties and Insurance
 - a. Provide the current bonding capacity; bond rating; and confirmation that firm is currently bondable for 100% of a payment bond for construction of this project and 100% of a performance bond for construction of this project. A letter from a licensed surety as evidence of ability to bond for each of these categories should be included in the appendix.
 - b. Provide information detailing your firm’s warranty policy (equipment and installation).
 - c. Confirm that the respondent will be able to accommodate the Insurance Requirements as presented elsewhere in this RFQ. If the Firm acts in a general contractor or similar capacity during an implementation phase, additional insurance requirements may apply.

Project Management Approach

1. Organizational Chart. Provide an organizational chart that illustrates the structure of your team. Note all key personnel and subconsultants.
2. Key Personnel Resumes. Include a one-page resume, highlighting education, licenses, experience on similar projects and any other pertinent information, for each key team member assigned to the project.
3. Project Management Overview. Provide information on the firm’s approach to managing the development and implementation of energy performance contracting projects to ensure the project is completed within the schedule.
4. Subconsultant Management. Describe how your firm will select and work with subcontractors. For subconsultants that appear on the organizational chart, provide resumes for key staff.

Technical Approach

1. Process Overview. Provide an overview of the process your firm uses to develop and implement performance contracts.
2. Baseline Calculation Methodology. Describe in detail the methodology your firm normally uses to compute the energy baselines of the various ECMs, as well as actual performance.
3. Adjustment to Baseline Methodology. Describe the method(s) used to adjust the energy and O&M baseline due to such factors as weather and facility use changes. Describe factors that would necessitate adjustment.
4. Savings Calculations. List all procedures, formulas and methodologies, including special

metering or equipment, which your firm uses to calculate energy and O&M savings. Include assumptions made in the calculations.

5. Standards of Service and Comfort. Describe the method and documentation of standards of service and comfort. Describe the contract language to agree upon maintenance responsibilities, occupancy schedules, operational cost reductions, and other responsibilities in the guaranteed savings contract.
6. Monitoring and Verification.
 - a. Describe the methodology proposed for ongoing monitoring and savings verification, including the frequency of such efforts. Note if an industry standard such as the International Performance Measurement and Verification Protocol is used and describe the preferred option.
 - b. Describe how the guarantee provisions work in the event that project results vary from projections. Also describe how excess savings can be documented. Third party guarantees are not acceptable.
7. Sample Contract. Include in the appendix the performance contract your firm intends to use for this project.
8. Sample Audit. Include in the appendix an audit your firm completed for a similar project. Redacting personal, financial and other sensitive information is acceptable as long as the intent of the sample is represented.

Financial Approach

1. Preferred Approach. Provide descriptions of the sources and types, and costs of financing available, as well as your firm's preferred approach. Describe the mechanics of the financing arrangement, including equipment ownership, responsibilities/liabilities of each party, security interest and any special terms and conditions that may be associated with the financing this project.
2. Grants, Rebates and Incentives. Describe how your firm will maximize the use of grants, rebates and incentives.

Additional Services

1. Provide an overview of your firm's additional energy efficiency related services. This section should not be more than five pages, and should not repeat services described elsewhere.

Appendix

Acknowledgement of Addenda
Bonding Capacity Documents
Sample Contract
Sample Audit

QUALIFICATIONS SCORING

The selection committee will be made up of at least three staff members with varying backgrounds. The committee will score the submittals on the basis of these categories, which will be weighted as shown. Staff will make a recommendation to the City Commission based on the scoring, with the Commission making the final selection.

- Qualifications & Experience35 Points
- Technical Approach.....25 Points
- Project Management Approach20 Points
- Financial Approach.....15 Points
- Additional Services.....5 Points

LOCAL PREFERENCE

The City Commission may give preference to local vendors as follows. Any Energy Performance Contract that results from this RFQ process will be required to comply with this local preference policy during any solicitations, bids and other procurement processes.

- Vendors located in the City of Muskegon may be awarded purchases or contracts when the lowest qualified local bid/price is within 2% or less of the lowest qualified non-local bid.
- Vendors located in Muskegon County may be awarded purchases or contracts when the lowest qualified local bid/price is within 1% or less of the lowest non-local bid.

DISADVANTAGED CONTRACTOR GOALS

The City Commission establishes goals for disadvantaged contractor participation in each trade as follows. Any Energy Performance Contract that results from this RFQ process will be required to comply with these goals during any solicitations, bids and other procurement processes.

- 14% minority owned businesses.
- 7% female owned businesses.

A Disadvantaged Contractor Affidavit listing all disadvantaged contractors that are contacted to participate in a project as sub-contractors must be submitted by each vendor. The affidavit must clearly state why each potential subcontractor was not considered for inclusion in the project. A disadvantaged contractor refers to businesses that are owned and controlled by minorities, women, and other socially and economically disadvantaged persons. The affidavits will be required prior to executing work under an Energy Performance Contract.

SCHEDULE FOR RFO PROCESS

Issue RFQ April 3, 2025

Deadline for Written Questions..... April 24, 2025

Qualification Submittals Due May 1, 2025 (2:00 PM)

City Commission Consideration and Selection May, 2025

RFO TERMS & CONDITIONS

1. Contact with the City. Any communications, such as regarding matters of clarification, must be made in writing to the City contact person listed above. No verbal communications will be allowed.
2. Notification of Changes. All recipients of this request for proposal who have returned the Receipt Confirmation Form will be notified regarding any changes made to this document.
3. Funding. All City expenditures are subject to appropriation of funds. Therefore, the City reserves the right to discontinue the RFQ process if funding is not available.
4. Ownership of SOQs. All responses to this request for proposal become the property of the City.
5. Submittal Expenses. Prospective firms are solely responsible for their own expenses in preparing a proposal and subsequent negotiations with the City, if any.
6. City's Reserved Rights. This RFQ should not be construed as a contract to purchase goods or services. The City reserves the right to reject any or all submittals, or to accept the submittal that appears to be in the best interest of the City. The City shall not be obligated in any manner to any bidder whatsoever until a written agreement has been duly executed relating to an approved proposal. The City reserves the right to modify the terms of the RFQ at any time in its sole discretion.
7. Liability of Errors. While the City has used considerable efforts to ensure an accurate representation of information in this RFQ, all prospective bidders are urged to conduct their own investigations into the material facts and the City shall not be held liable or accountable for any error or omission in any part of this RFQ.
8. Acceptance of Terms. All the terms and conditions of this RFQ are deemed to be accepted by any submitting firm and incorporated in its submittal, except those conditions and provisions which are expressly excluded by the submittal.
9. Financial Stability. The successful bidder must demonstrate financial stability and the City reserves the right to conduct independent background checks to determine the financial strength of any and all organizations or individuals submitting proposals.
10. Negotiation Delay. If any contract cannot be negotiated within thirty (30) days of notification to the designated bidder, the City may terminate negotiations with that bidder and negotiate a contract with another bidder of its choice.
11. Debriefing. Upon written request from an unsuccessful firm, the City will arrange for a 30-minute debriefing session. The debriefing is not to be seen as an opportunity to challenge the decision.
12. Compliance with Laws. A firm shall give all notices and obtain all the licenses and permits required to perform work as a part of this RFQ process.
13. Governing Law. This RFQ and any contract entered into between a submitting firm and the City shall be governed by and in accordance with the laws of the State of Michigan and the United States of America.
14. Confidentiality and Security. This document, or any portion thereof, may not be used for any purpose other than the submission of proposals. Suppliers should be aware that pertinent facts relating to their proposal, excluding trade secrets or proprietary information, could potentially be released after the selection of the successful supplier. Should your submission in response to this RFQ contain "trade secrets" or other information the disclosure of which could reasonably be expected to be harmful to business interests, you must ensure that such information is clearly identified and marked as such. Identification must be specific by item or paragraph. Marked information will be treated as Confidential Third-Party Information. Should marked information be the subject of a request under a Freedom of Information law, you may be requested either to consent to the request, or make representation explaining why the information should not be disclosed.

INSURANCE REQUIRMENTS

The firm will be required to comply with the following insurance and indemnity requirements BEFORE ANY AGREEMENTS CAN BE EXECUTED:

- a. Hold Harmless Agreements: To the fullest extent permitted by law, Consultant agrees to defend, pay on behalf of, indemnify, and hold harmless the City, its elected and appointed officials, employees, volunteers and others working on behalf of the City against any and all claims, demands, suits, or loss, including any costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City, its elected and appointed officials, employees, volunteers, or others working on behalf of the City, by reason of personal injury, including bodily injury and death, property damage, including loss of use thereof, and/or the effects of or release of toxic and/or hazardous material which arises out of or is in any way connected or associated with this contract. The obligation to defend and hold harmless extends to Consultant's employees, agents, subcontractors, assigns and successors.
- b. Consultant Insurance Requirements: Consultant shall not commence work under this contract until obtaining the insurance required under this paragraph. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and Best Rated A VIII. All coverage shall be with insurance carriers acceptable to the City.
- c. Workers' Compensation Insurance: The Consultant shall procure and maintain during the life of this contract, Workers' Compensation Insurance, including Employer's Liability coverage, in accordance with all applicable Statutes of the State of Michigan.
- d. General Liability Insurance: The Consultant shall procure and maintain during the life of this contract, commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$500,000 per occurrence and/or aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions: (a) Contractual Liability; (b) Products and Completed Operations; (c) Independent Contractor's Coverage; (d) Broad Form General Liability Extensions or equivalent.
- e. Motor Vehicle Liability: The Consultant shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan no-fault coverage, with limits of liability of not less than \$500,000 per occurrence or combined single limit Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non- owned vehicles and all hired vehicles.
- f. Professional Liability Insurance: The Consultant shall procure and maintain during the life of this contract and during the performance of all services Professional Liability Insurance covering all performances from the beginning of the consultant's services on a "claims made basis" and shall maintain coverage from commencement of this contract until six (6) months following completion of the consultant's work with limits of liability not less than \$500,000 per claim.
- g. Additional Insured: Commercial General Liability and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following shall be "Additional Insured": The CITY OF MUSKEGON, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

- h. Cancellation Notice: Workers' Compensation Insurance, General Liability Insurance, Motor Vehicle Liability Insurance, and Professional Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that Thirty (30) Days Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to: CITY OF MUSKEGON PUBLIC WORKS DEPARTMENT.
- i. Proof of Insurance Coverage: The Consultant shall provide the City at the time the contracts are returned by him for execution, certificates and policies as listed below:
- Two (2) copies of Certificate of Insurance for Workers' Compensation Insurance.
 - Two (2) copies of Certificate of Insurance for Commercial General Liability Insurance.
 - Two (2) copies of Certificate of Insurance for Vehicle Liability Insurance.
 - Two (2) copies of Certificate of Insurance for Professional Liability Insurance.
 - If so requested, certified copies of all policies mentioned above will be furnished.

If any of the above coverage expires during the term of this contract, the Consultant shall deliver renewal certificates and/or policies to the City at least ten (10) days prior to the expiration date.