

FARWELL AREA SCHOOL DISTRICT

REQUEST FOR PROPOSALS

ENERGY EFFICIENCY IMPROVEMENTS

NOTICE IS HEREBY GIVEN THAT THE BOARD OF EDUCATION OF FARWELL AREA SCHOOL DISTRICT WILL RECEIVE PROPOSALS UNTIL FEBRUARY 10, 2010 AT 4:00 p.m. AT THE OFFICE OF THE SUPERINTENDENT LOCATED AT 371 E. MAIN STREET, FARWELL, MICHIGAN 48622. THE BOARD OR ITS DESIGNEE WILL OPEN AND READ ALOUD EACH RECEIVED BID AT A PUBLIC MEETING AT FEBRUARY 10, 2010, AT 4:00 p.m.

THE PROPOSAL WILL BE TO FURNISH ENERGY EFFICIENCY IMPROVEMENTS

The Board of Education will not consider or accept a proposal received by the Board after the above-specified date and time for Proposal submission.

At the above-specified time and place for receiving proposals the Board of Education, acting by its designee, will publicly open and read all timely-received Proposals. The Board of Education reserves the rights to waive any irregularity or informality in its Request for Proposals (“RFP”) process, to reject any or all Proposals, to award Program components by component, group of components, or total Program, and to accept the Proposal or Proposals which the Board determines will perform in the Owner’s best interests, and not the lowest or any other Proposal. Proposals are to be presented in accordance with the RFP specifications. A bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the board or the superintendent. For a copy of the RFP or more information call Dave Peterson, Superintendent at (989) 588-9917.

FARWELL AREA SCHOOL DISTRICT REQUEST FOR PROPOSALS ENERGY EFFICIENCY IMPROVEMENTS

Farwell Area School District (the “Owner”) is requesting Proposals for the implementation of energy efficiency improvements (the “Program”). The scope of the Program will include equipment replacement, repair, modernization, or preventative maintenance, and related support and training programs. The Owner’s objective in issuing this Request for Proposals (“RFP”) is to provide a competitive basis on which to select one or more vendors (each a “Vendor”) to design and manage the implementation of a “turn-key” Program or component(s) thereof.

The goals of the Program are:

A. Provide comprehensive energy services for the Owner that may include installation of energy saving equipment and materials. The Owner seeks to realize maximum energy and operational savings and to enhance the overall learning environment. The specific nature of this equipment and material is left to the Proposer’s judgment, but must be clearly identified in the Proposal.

B. Provide a more comfortable environment for building occupants. This may include building envelope improvements, repair or modernization of existing heating, ventilation, air conditioning, insulation, lighting retrofits and upgrades, installing or upgrading an energy management system, motor, pump, or fan replacements, domestic water use reductions, or other upgrading other energy consuming equipment or appliances. The specific nature of repair or modernization is left to the Proposer's judgment, but must be clearly identified in the Proposal.

C. Provide training programs for Owner personnel that may enhance the overall efficiency of operations.

D. Guaranteed energy savings of sufficient potential to enable the Owner to determine that Program costs will be offset by energy and/or maintenance savings to the greatest extent possible. Baseline data and assumptions will be agreed upon by the Owner and the successful Proposer.

E. The Owner will incur no start-up costs. The Owner will later determine whether to finance the cost of installation of the Program from the proceeds of bonds issued by the Owner, or as part of energy savings performance contract with the Vendor, under which the cost of the Program will be paid over time and only to the extent of sufficient guaranteed energy conservation and operating savings (not including staff reductions). The Owner will consider the recommendations of the successful Proposer as to which alternative to utilize. If an energy savings performance contract is proposed, the guaranteed savings must meet or exceed the cost of the contract, including any service obligation.

COMPONENTS OF PROPOSALS

All proposals submitted must contain the following information in the order requested.

1. Name and address of Proposer. Identify the number of full-time personnel employed by your firm and the number of full time personnel dedicated to this project. Identify project team members and resumes, specifically including the individual(s)

authorized to bind the company.

2. Identify and adequately describe all proposed energy conservation and improvement measures. Proposals shall include a concise abstract stating the Proposer's overview of the proposed project. The concise abstract and/or list of proposed services shall be identified in Attachment "A," hereto.
3. A detailed summary of the costs of the energy conservation measures by building and by category, stressing uniformity and centralization, and including the identity of proposed equipment manufacturers, make and model, and the costs of the work to be performed, such as:
 - (a) Lighting Upgrades
 - (b) Energy Management System
 - (c) HVAC System Modifications
 - (d) Fenestration Improvements and Entrance/Exit Closures
 - (g) Water Conservation
 - (h) Energy audit, design and engineering
 - (i) Other, as recommended by the Proposer
 - (j) The total installation contract price shall separately state any possible state sales taxes and federal excise taxes, and the Proposer's representation as to whether, or to what extent, such state sales taxes or federal excise tax are applicable. The Owner, upon request, will provide the Vendor with properly executed tax exemption certificates or tax exemption numbers, but the Owner makes no representation that this project is exempt from sales or use taxes. All taxes required by law shall be paid by the Proposer.
 - (k) All overhead costs incurred by the successful Proposer with respect to the Program are included in its proposed Contract price, unless otherwise specified in its proposal
 - (l) Describe your firm's approach to technical design
4. A detailed breakdown of the energy performance savings to be derived each year and for the duration of the energy savings performance contract, including at least all of the following: (A) A description of the guaranteed energy use savings and tasks to be performed under the energy saving performance contract, (B) The combined total net cost of all of the energy conservation measures in the project, (C) The projected energy savings and operating and maintenance cost savings resulting from the project, (D) The useful life of each energy conservation measure, and (E) The simple payback period.
5. Guaranteed energy conservation savings. Proposer must include in its bid the information required by MCL 380.1274a(3). Provide information, in sufficient detail to allow for informed analysis, as to the amount of energy savings predicted to result from the Program. Provide measurement in energy units and dollars. Provide

methodologies for calculating guaranteed energy savings, including methodologies for computing baseline energy and water use, adjustments to baseline for weather and facility use changes (and when they would apply), all procedures used to calculate savings (including assumptions), and describe procedure used to assign dollar values to savings.

6. Predicted savings resulting from operational efficiencies under the Program. Reduction, elimination or absorption of employees or positions by the Owner will not be considered nor shall it be included as part of any savings predicted by the Proposer.
7. The annual or monthly cost of any proposed service contract for monitoring the energy savings and for preventative maintenance, expressly stating separately any cost for the guarantee of energy savings. Indicate the length of any proposed service contracts, if such contract is prerequisite to any guarantee of energy savings, and the minimum length of the proposed service contract in order to obtain the guarantee. Also indicate what services will be provided as part of the preventative maintenance program.
8. Training program outlines and costs.
9. Cash flow analysis.
10. In addition to a minimum one year guarantee of materials and workmanship, indicate the extended time periods of all warranties on specific products included in the Proposal which by the terms of such warranties pass to the Owner.
11. Assurance that all work will be performed in accordance with all applicable codes.
12. The Proposer is encouraged to propose various Program, guarantee, or financing alternatives. Provided, however, the Proposer must submit a base Proposal which either (i) includes all energy conservation measures listed in its potential Scope of Work, and the costs and predicted savings from implementing such energy conservation measures, or (ii) explains why certain potential energy conservation measures have not been included in the Proposal.
13. Provide Program management responsibility and a detailed Program completion schedule.
14. Describe your approach to the project, including items such as: (a) summarizing the scope of services available from your firm (auditing, design, construction, monitoring, operations, maintenance, training, financing, etc), (b) describe your ability to offer services to upgrade HVAC, controls, lighting, renewable energy systems, pools, kitchens, and other systems, (c) describe your general ability and

approach to help with financing (if applicable), (d) describe your firm's approach to project management and performance contracting, and (e) describe your firm's capabilities in providing technical training for facility personnel and experience on past projects, specifically describing your firm's involvement, if any, in developing training manuals for facility staff.

15. A list of seven or more references (if possible) of similar size programs the Proposer has completed within the last five years. Include contact persons and phone numbers. Identify whether those projects involved guaranteed energy savings contracts.
16. Credit information and references including the Proposer's primary bank, two large suppliers, latest D&B report, and audited annual financial reports for the last three years. (If the company is a subsidiary of a larger firm, information should also be provided for the larger firm.) A description of the financial soundness of the company.
17. Proposal to be signed by an authorized Proposer official.
18. A sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the board of education or the superintendent of the school district.
19. A certification that measurement and verification techniques for determining cost savings will be performed in accordance with protocols published in January 2001 by the international performance measurement and verification protocol inc.
21. A certification that, upon the Owner's request, the Proposer will assist the Owner in complying with its reporting obligations under MCL 380.1274a(7) and MCL 380.1274a(8).
22. Qualification as an Energy Service Company (ESCO) by the Department of Energy and the National Association of Energy Service Companies, LEED certification, and current professional engineering licenses.
23. Any other offerings and/or service.

INSTRUCTIONS AND TERMS FOR SUBMITTING PROPOSALS

The Proposer shall submit one original and two (2) copies of its Proposal. Proposals shall be sealed and clearly labeled "Performance Contracting RFP." Proposals are due at 4:00 p.m. local time on February 10, 2010 at the following address:

Farwell Area School District

Mr. David Peterson, Superintendent
371 E. Main Street
Farwell, Michigan 48622

Any Proposal may be withdrawn or modified by written request made by the Proposer, provided such request is received by the Owner at the above address prior to the date and time established for receipt of Proposals. Proposals not so withdrawn shall constitute a firm offer to provide the work contained therein and shall remain firm for acceptance for sixty (60) days.

The cost of preparing a response to this RFP, including site visits, detailed energy analysis and engineering studies, are the Proposer's sole responsibility and will not be reimbursed by the Owner.

The Owner reserves the right to reject any or all proposals, to award the Contract to other than the low bidder, to award Program components by component, group of components, or total Program, to accept any or all alternatives, to waive irregularities and/or informalities, to weigh proposal elements as deemed beneficial to the Owner, and, in general, to make the award in any manner deemed by it, in its sole discretion, to be in the best interest of the Owner and in compliance with law.

All proposers must attend a mandatory site visit and walk-through on January 7, 2010 at 10:00 a.m. at the District Administration Building.

The Proposer by its submission of its Proposal releases the Owner and its Board, officers and employees from any claims arising out of, and related to, the RFP process and selection of a Vendor.

Questions regarding this RFP shall be in writing and directed to:

Mr. David Peterson
Superintendent of Schools
(989) 588-9917
dpeterson@farwellschools.net

No questions will be accepted within three (3) days of the date required for submission of responses. Responses will be timely provided to the extent practicable and, when provided, will be given to all respondents.

CONTRACT REQUIREMENTS

References to "Contract" in this RFP mean the Contract with a Vendor for installation/implementation of the Program by the Vendor resulting from the Owner's formal, Board-authorized acceptance of the Proposal of the successful Proposer (the "Vendor"). The Vendor is expected to enter into a Contract in the form attached to this RFP, except that the following

provisions shall be deemed to supersede the terms of that Contract to the extent they are more favorable to the Owner. The Vendor shall be deemed to have agreed to all such contractual terms unless and to the extent an exception is identified in writing in its response to the RFP, specifically stating the provision objected to, the reasons for such objection, and proposed alternate language.

Insurance

The Vendor shall procure and maintain at its expense during the life of the Contract the following insurance from a company or companies licensed to sell insurance in Michigan with an A+ A.M. Best rating, or equivalent: Workers Compensation in compliance with Michigan law; Comprehensive General Liability Insurance in the amount of \$1,000,000 each occurrence for Bodily Injury Liability and Property Damage Liability. In addition, the Vendor will procure and maintain an Umbrella Liability insurance policy in the amount of \$2,000,000. Such insurance will protect the Vendor and shall name the Owner and each project site as additional or co-insured.

The insurance required shall be written for the greater of limits not less than the limits of liability specified or required by the law or primary coverage of \$1,000,000 per occurrence on an occurrence basis or in the amount of said limit on a claims-made basis, provided that if the latter form (claims-made) is procured and/or maintained in compliance herewith, it shall be maintained for a period of no less than four (4) years subsequent to the termination of the Contract, and shall also survive completion of installation under, or any prior termination of, the Contract.

All certificates of insurance must be forwarded to the Owner prior to commencement of any work. Required insurance policies shall not be changed or canceled without ninety (90) days prior written notice to the Owner.

Indemnification and Hold Harmless

Subject to the availability of any proceeds from any available Owner insurance and the subrogation provisions, if any, therein provided, the Vendor shall indemnify, hold harmless and defend the Owner, its Board Members, officers, employees, students, volunteers and agents against all suits, actions, legal proceedings, claims of any nature and kind, demands, and all damages, loss, costs, expense, taxes, penalties, fines, liens and actual attorney's fees incurred, caused by or arising from or attributable, whether in whole or in part, directly or indirectly, to:

- a) Any negligent or willful or intentional or criminal acts or omissions of or a breach of contract by the Vendor or its principals, shareholders, employees, agents, attorneys, accountants or subcontractors;
- b) Any claims by any employees or former employees of the Vendor or its agents or subcontractors, regarding any matter relating to their employment;
- c) Any matter for which the Owner may be held strictly liable, but which is the result of,

in whole or in part, the negligent or willful or sole acts or omissions of the Vendor or its principals, shareholders, employees, agents, attorneys, accountants and/or subcontractors; and

- d) Any tax or levy imposed upon or charged to the Owner as a result of compensation or any other amount paid to the Vendor under or pursuant to the Contract.

Bonds

In compliance with Act 213, Public Acts of Michigan of 1963, as amended, the Vendor shall execute surety bonds acceptable to the Owner. One bond shall be for the faithful performance and fulfillment of the Contract and shall include protection of the Owner from all liens and damages arising out of the work. The other bond shall be for the payment of all labor and materials used in the work and for the protection of the Owner from all liens and damages arising therefrom. Each of the bonds will be in the amount of one hundred percent (100%) of the total amount of the installation Contract price, through satisfactory completion of installation. Bonds must be provided by a surety company reasonably acceptable to the Owner.

Subcontracting

In the performance of the Contract it may be necessary for the Vendor to sublet part of the work to others. The Vendor will inform the Owner as to which subcontractors will be used. Subcontractor use shall be subject to the approval of the Owner. The Vendor will be fully responsible to the Owner for the acts and omissions of subcontractors and of all persons whether directly or indirectly employed by the Vendor. Nothing in this RFP or the Contract shall create any contractual relationship between any subcontractor and the Owner. The Vendor shall not assign, transfer, convey, or otherwise dispose of the Contract, or any part thereof, or the Vendor's right, title or interest in the same or any part thereof, without the prior written consent of the Owner. The Vendor shall not assign any of the moneys due or to become due and payable under the Contract without prior written consent of the Owner.

Access to Information

The Vendor shall provide the Owner constant access to any computer system hardware and software used to develop and/or store Program data, no matter where or by whom produced or operated and Vendor shall facilitate placing the Owner on line with same by modem, station or other method of connection, if such connection is possible. Further, the Owner shall be deemed the Owner of any and all documents, drawings, specifications or other instruments of service produced by the Vendor or its subcontractors pursuant to the Contract and shall have the full right to access and use the same in its discretion.

Equal Employment Opportunity

The Vendor shall warrant and represent that it is an equal opportunity employer and that it

does not unlawfully discriminate against anyone on the basis of race, creed, color, age, sex, national origin, disability, handicap or any other protected class identified in either Michigan or Federal law.

Approval of Employees

The Owner reserves the right to approve the identity of representatives and employees of the prime contractor or any subcontractors. The Owner shall retain the right to have any employee of the prime contractor or any subcontractor removed from the Program at the Owner's discretion.

One Year Guarantee

The successful Vendor shall guarantee all materials and workmanship against defects for a minimum period of one (1) year from the date of completion and acceptance.

Owner's Right to Correct Deficiencies

If the Vendor shall neglect to perform the work properly, or should refuse to remedy any defects in the work due to inferior quality or workmanship or material, or should in any manner fail to perform any provision of the Contract, the Owner, after 72 hours written notice to the Vendor, may correct such deficiencies and may deduct the cost thereof from payment due the Vendor.

Compliance with Law and Standard Practices

The Law means each and every Federal, State and Local law, statute, act, rule, regulation and ordinance. The Vendor shall perform its obligations hereunder in compliance with each and every Federal, State and Local law, statute, act, rule, regulation and ordinance, including applicable licensing requirements. The Vendor shall comply with sound engineering and safety practices and any and all Owner and/or Owner Board of Education policies, practices, procedures and rules, past, present and future. The Vendor shall be responsible for obtaining all governmental permits, consents and authorizations as may be required to perform its obligations.

Form of Contract

Subject to, and in addition to, the foregoing, the Owner may reasonably negotiate any provisions identified above or any other provisions of the document prior to contract execution. This provision shall not be interpreted as allowing the Vendor to require such negotiation, which shall be in the sole discretion of the Owner.

ATTACHMENT "A"
FARWELL AREA SCHOOL DISTRICT
POTENTIAL SCOPE OF WORK