

# Memorandum



**Date:** February 19, 2014

Supplement to  
Agenda Item No. 8(F)1

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over the printed name of the Mayor.

**Subject:** Supplement to Request for Qualifications (RFQ No. 910) to Establish a Pool to Provide Energy/Fuel Saving Services to the County

This supplemental report serves to address questions and comments raised during the discussion of item 3K (Legistar 140032) at the January 14, 2014 meeting of the Finance Committee. More specifically, the item authorizes the Administration to advertise a request for qualifications (RFQ 910) developed for the purposes of establishing a pool of firms for subsequent engagements to provide energy/fuel savings to the County.

Staff has gone through an exhaustive process in obtaining significant industry-wide commentary and insight to learn as much about the Compressed Natural Gas (CNG) industry as possible to ensure our RFQ document is well-received in the industry, both by large, nationwide firms and smaller, local firms. Given the countywide significance and potential impact of this procurement, it is important to bring this solicitation to the Board of County Commissioners (Board) for approval prior to formal advertisement to ensure feedback from our policy makers as well.

Below is a timeline of the steps taken prior to obtaining Board approval to advertise:

- In August 2012, the Mayor appointed the County's CNG Planning Committee (CPC) to obtain industry information regarding the use of CNG.
- The CPC recommended issuance of a Request for Information (RFI). The objective of the RFI was to gather information to help the County formulate a strategy to reduce its energy costs by exploring CNG as an alternate fuel source for its heavy fleet vehicles. The RFI was published by Internal Services Department on August 31, 2012. Responses were received on November 2, 2012, and CPC reviewed the data at subsequent meetings. As a result of these meetings, a solicitation was drafted by March 2013.
- Numerous meetings and discussions were held between staff members from various departments and the County Attorney's Office for selection of an appropriate procurement process for CNG.
- Due to possible use of federal funds and complexities in scopes of work for various departments, it was determined that the County would advertise an RFQ for subsequent competition on engagements.
- The general versions of the RFQ were posted on the County's website over the past year to secure additional industry comment and feedback.
- County staff met with representatives from Federal Transit Administration in August 2013 to review the approach. Federal Transit Administration senior managers were very receptive and offered to provide guidance once the county has selected the best offer(s). County staff was advised by Federal Transit Administration representatives to select the most attractive proposal(s) and then return to Atlanta for a second visit to discuss more specific information.
- The latest draft of the RFQ was posted on the County's website on November 2013.
- The solicitation was presented to the Board's Finance Committee on January 14, 2014. Multiple comments and questions were raised by committee members and are addressed in the following sections.

**Request for Proposals vs. Invitation to Bid vs. RFQ**

As to the solicitation method chosen, staff had numerous discussions regarding selection of an appropriate procurement process. An invitation to bid process was discussed, but was ultimately not recommended due to many qualitative factors involved, in addition to price, that need to be evaluated in order to secure a best value engagement. A request for proposals process was also explored. However, generally, a request for proposals would require a very detailed scope of work for all engagements into one solicitation. Given the nature of this initiative, it would be difficult to fully develop a detailed scope based on the many variables involving each fleet operation, as each department involved has its own unique operational needs due to their diverse fleet and varied infrastructure. Ultimately, our recommendation to the Board is to proceed with an RFQ process. An RFQ will most easily allow the County to qualify proposers for future engagements, and advertise and issue multiple awards, based on the specific needs of the departments as staff further develops this initiative.

Additionally, the RFQ will provide the County with flexibility in structuring complex financial programs to convert the County's heavy fleet to CNG.

**Number of Pool Members**

With regards to the number of pool members to be selected for this project, it is my recommendation to not include a minimum or a maximum number in the RFQ. Allowing the evaluation process to dictate the number of eligible pool members will facilitate identification of small, mid-size, and large firms that may be able to participate in the County's conversion to CNG. Additionally, the pool concept will create competition that should yield favorable pricing. This is extremely important in light of the very limited capital available from the County. Should a need arise at any time during the term of the pool, the RFQ can be reopened for addition of pool members. It is important to note that the State of Florida has an Energy Performance Savings contract that allows contractors to provide energy saving services in accordance with the Guaranteed Energy Performance Savings Contracting Act of Section 489.145 of the Florida Statutes. The County also utilizes this contract which currently has 10 prequalified Energy Savings Companies.

**County Measure/Goals, Bonding and Insurance to Engagements**

Each engagement will include a detailed scope of work and will be submitted to the Small Business Development Division in the Internal Services Department for determination of small business measures/goals, as permitted by the funding source. Disadvantaged Business Enterprise goals will be included in engagements that may use federal funds. The Risk Management Division in the Internal Services Department will review each engagement for setting of insurance and bonding levels based on the individual scopes of work to protect the County from potential risks.

**Evaluation Criteria for Engagements**

Staff will prepare detailed evaluation criteria for each engagement to ensure the County receives maximum energy/fuel savings. The evaluation criteria for firms applying, individuals and joint ventures will be developed based on the scope of work included in the engagement and may include, but not limited to the following:

- a) Experience of prime and all subcontractors;
- b) Experience of project management team;
- c) Completion timeframe;
- d) Financing model;
- e) Financial capability;
- f) Guaranteed savings to the County;

- g) Design of CNG fuel service stations;
- h) Revenue generation through sale of CNG; and
- i) Ability to sell CNG fuel to the County.

**Award of Engagements**

It is important to note that it is the Administration's intent to compete all engagements, and bring each award to the Board for approval. The RFQ includes language regarding the waiver of formal bidding procedures. This language was included to allow for options to the County. Should it be in the best interest of the County to waive formal bidding procedures, this will be part of the recommendation in the transmittal memorandum to the Board for consideration.

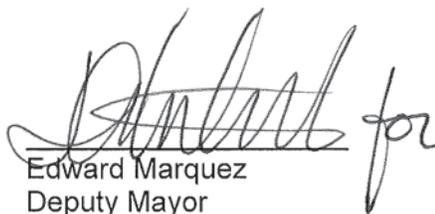
**Evaluation Selection Committee:**

As to the appointment of Selection Committee(s) for evaluation of proposals received in response to the RFQ or subsequent engagements, every effort will be made to ensure diversity and gender balance in the appointment of the members. The Administration will contact experts from other jurisdictions and industry to gauge their expertise, interest and willingness to participate in the evaluation process. Langer Energy Consulting, Inc., consultant for the County, will provide consulting services with regard to CNG issues including conversion, sourcing, availability, capacity, pricing, industry providers and technical assistance implementing changes.

**Funding Model and Capital Investment**

The County's approach to fund this project is unique in that we are seeking a true public private partnership with capital investment from the private entities. Staff has not been able to locate any other public entity that has financed an entire CNG conversion project as contemplated by the County. Staff reviewed solicitations from the School Board of Leon County, FL; Tampa International Airport; City of Norwalk, CT; Hillsborough Transit Authority, FL; Greater Richmond Transit Company, VA; Los Angeles County Metropolitan Transportation Authority, CA; San Diego Transit, CA; and New York Transit, NY. Each solicitation reviewed was unique in scope, evaluation criteria, and financing models. It is difficult to estimate the capital investment until full scopes of work for each engagement are finalized.

I would like to re-emphasize that the most important aspect of the entire process is the application of Guaranteed Energy Performance Savings Contracting Act, which requires pool members, for consideration of award of an engagement, to submit a comprehensive report that includes proposed guarantees and savings exceeding the cost of the project as set forth in the statute. It is the ultimate goal of this Administration to achieve savings that exceed the overall cost of conversion.

  
Edward Marquez  
Deputy Mayor