



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL NO: OPJ0111 ADDENDUM NO. 3 DATE OF ADDENDUM: AUGUST 15, 2014

This addendum is to incorporate changes to the above referenced solicitation:

I. The purpose of this addendum is to respond to questions regarding the above referenced solicitation which were presented at the Pre-Proposal meeting held on July 24, 2014.

1. Question: Will any other utilities in any of these groups have access to bids and materials submitted in terms of general content as well as confidentiality?

Answer: Where legally appropriate, the sub-committee working group of the Large Public Power Council that developed the scope of services for the Efficient Consumer Products Manufacturer and Retailer Program may be interested in seeing the responses. They are well aware the cost or proposed cost of program is going to be accurate for Austin Energy (AE) and not for others. The scope of services is of particular interest to the LPPC sub-committee working group. The scope of services described in proposed solutions will determine if additional utilities may participate in the program by entering into an MOU with Austin Energy instead of developing and issuing requests for proposals on a similar solution.

2. Question: How soon does Austin Energy anticipate a partner will join after AE makes a vendor selection or will it happen at the same time?

Answer: It is unknown at this time. It will depend on services the other utilities are already receiving or not receiving. An estimate is about six (6) months taking into account the development timeline proposed by vendors, i.e., technical solutions, approval of all marketing..

3. Question: Pricing with various assumptions about scale with the number of utilities that may be involved. Would you expect that if additional utilities come on that it would take the other price option or re-negotiate with AE or how would you envision that?

Answer: Austin Energy is interested to learn how vendors might price a solution when economy of scale is desired. Knowing that additional utilities might participate under the same scope of services as described in the solicitation, please describe and document how the described services can be provided to achieve economy of scale when multiple utilities participate.

Other utilities planning to piggy-back on a resulting contract is going to do so based on their own program development, purchasing, and existing contract cycles. What we are asking is for you to respond to AE's needs. Any interested utilities would first enter into an MOU with Austin Energy and then begin discussions with the solution provider. Discussions with new participants would include negotiating any differences in eligible territory, eligible performance measures and incentives appropriate to the individualized market.

4. Question: Assuming a contract is awarded to a company for the AE component of the program, would the other utilities not follow their normal procurement processes to engage a company to provide these services –or- would they somehow not be bound by their processes and then be able to enter an agreement with the same company that entered into an agreement with AE?

Answer: In this particular program, the three utilities that are most likely participants, have been very active in the development of the solicitation and the program. We met with the potential utility participants and their purchasing departments and verified our requirements for posting this solicitation met their requirements and discussed this thoroughly on how it was going to be possible. Currently, they recognize the solicitation process we did is in compliance with their requirements, etc.. Potential utility participants would enter into an MOU with Austin Energy which would clear the way to move forward with the chosen vendor.

5. Question: JEA and Ft Collins, is there another utility on the Evaluation team? You identified Platt River.

Answer: The Evaluation Team members have not been finalized.

6. Question: To be clear, the other utilities that could possibly join in this solicitation are: JEA, Ft Collins, Platt River. Is this correct?

Answer: We are not certain of the number of utilities that may participate. All utilities listed on the Scope of Work (SOW) are members who participated in the development of the program and the Scope of Work included in the posted solicitation. The Fort Collins, Platte River, JEA and Austin Energy purchasing departments discussed the solicitation requirements collectively. Also, the rest of the group listed in the SOW participated very heavily in the design of the program and have supported this effort; we do not know what their plans are for the long term. Our intention is that any utility can take the services, join the program, take the services whether they are municipal utility or not, small or large public power. The intention is to create a program that leverages the shared customers' aspect (Retailers, Manufacturers, and Utilities share the same customer) and shared goal where we all want to convert lookers to buyers (adopt energy efficiency rather than to observe).

7. Question: The solicitation mentions some of the LPPC having success with retailer programs. Is there a way to get information about which retailer or manufacturer AE has either already engaged with or anticipates engaging with, perhaps some scaled numbers or store accounts?

Answer: Some LPPC members also participate in the Western Region Utility Network and the Northwest Energy Efficiency Alliance. Members of both the Network and Alliance have participated in collaborative retail programs with similar scopes of services as described in the Efficient Consumer products Manufacturer and Retailer Program. Participating retailers included SEARS, Best Buy, and local stores and Walmart.

In the past, Austin Energy has administered a CFL coupon program in partnership with HEB (local grocer), a gas mower to electric mower trade-in program in partnership with Home Depot, and an LED buy-down program at Home Depot in partnership with Phillips Lighting.

In general, Austin Energy considers any retailer that would sell qualified products and adhere to the requirements and standards that have been developed for the program a potential retail partner (i.e., hardware and home improvement stores like Home Depot, Lowes, Walmart, Best Buy, Costco and HEB). Austin Energy would also want to include small independently-owned hardware stores that are in the local area. We have supplied a list of retailers in our location (below). This list is neither inclusive or exclusive of potential retail participants and should only be used to understand the potential of the program.

Potential Retail Store Participants in Austin Texas

Store Name	Address	City, State	Zip	Telephone
Lowe's	8000 Shoal Creek Blvd	Austin, Texas	78757	(512) 634-4330
	5510 N IH 35	Austin, Texas	78745	(512) 441-0329
	6400 Brodie Ln	Austin, Texas	78738	(512) 895-5560
	13201 N. RANCH RD. 620, BLDG. G.	Austin, TX	78717	(512) 918-8777
	13000 N I-35 SVC ROAD SB, BUILDING 12	Austin, Texas	78753	(512) 634-0070
	120 Sundance Pkwy, Round Rock, TX 78681 (512) 380-1879	Round Rock, Texas	78681	(512) 380-1879
	1495 S Highway 183	Leander, Texas	78641	(512)2129749
Home Depot	3600 S Interstate 35	Austin, Texas	78704	(512)649-0060
	1200 Barbara Jordan Blvd	Austin, Texas	78723	(512)703-4110
	6448 E Highway 290	Austin, Texas	78723	(512)419-1555
	1200 Home Depot Road	Austin, Texas	78745	(512)892-3035
	8801 S Interstate 35	Austin, Texas	78744	(512)291-0153
	3600 Ranch Road 620 S	Austin, Texas	78738	(512)263-0785
	10515 N Mopac Expy	Austin, Texas	78759	(512)338-1001
	7900 N Fm 620	Austin, Texas	78726	(512)258-7914
	11301 Lakeline Blvd	Austin, Texas	78717	(512)331-4436
	13309 N Interstate 35	Austin, Texas	78753	(512)989-6650
Sears	1000 E 41st Street	Austin, Texas	78751	(512)459-2300
	7411 San Pedro St	Austin, Texas	78705	(800)469-4663
	11200 Lakeline Mall Dr	Cedar Park, Texas	73301	(512)219-2400
	1300 W Louis Henna Blvd	Austin, Texas	78728	(800)349-4358
	1700 N Fm 620	Austin, Texas	78726	(512)266-0800
	13435 N Highway 183	Austin, Texas	78750	(512)257-0865
	9900 South IH 35 Service Road	Austin, Texas	78748	(512)282-4445
Walmart	5014 W Hwy 290	Austin, Texas		(512)892-6086
	9300 S Interstate 35	Austin, Texas		(512)292-6973
	12900 No. I-35 Svc Rd Sb	Austin, Texas		(512)837-9886
TreeHouse	4477 S Lamar Blvd #600	Austin, Texas	78745	(512)861-0712
Best Buy	4970 W US Highway 290 Service Road	Austin, Texas		(512)892-7550
	9607 Research Blvd #500	Austin, Texas		(512)795-0014
	1201 Barbara Jordan Blvd	Austin, Texas		(512)322-2047
Frye's	12707 N Mopac Expressway	Austin, Texas		(512)733-7000

8. Question: The territory that includes those store fronts, is that the City of Austin or Austin Energy delivery territory?

Answer: For the beginning of the program, your expectations should be that the service territory will be eligible AE service territory. The service territory and the eligibility territory will change as we select stores, performance measures and refine our target customers based on promotions that might be appropriate for specified areas. We will work with the solution provider to clarify exactly what the territory is and what a store needs to be considered eligible.

9. Question: A program like a thermostat to get a rebate but that is not physical retail space (people buying things on-line because they get cheaper prices), these type programs don't fall under this SOW since there is not a physical retail partner or would it fall under this umbrella?

Answer: On-line engagement is something that may be planned for Phase II or Phase III implementation. Right now we would be focusing on in-store promotion and education opportunities where the eligible product is sold in the store. We have to ensure we have a reliable process for the in-store program strategy before implementing an online retail strategy.

Where Austin Energy has existing programs with a retail presence and participating stores, the Efficient Consumer Products Manufacturer and Retailer program should support the existing program through Marketing and Education.

10. Question: You have asked for measurement verification evaluation services. Is it anticipated the vendor will provide measurement verification evaluation of its own program? Are you asking for the vendor to provide these services in Section J for the program that's designed and specified in the RFP –or- are you asking for the vendor to recommend a process for other vendors?

Answer: We are asking you to ensure you collect, document and provide the information/data points needed to complete EMV. Each utility participant will perform their EM&V.

11. Question: Are these services the vendor should include in providing directly or are there other sections that talk about administration and coordination?

Answer: We are asking you to describe the approach you would take to the verification and evaluation activities. The expectation is that you would be familiar with the data a utility needs to perform EM&V; that you would ensure this information is available and that each utility would perform their own EM&V. How would you deem savings? We are looking for some recognition that this comes from a reference manual or whatever source you feel is appropriate to use to obtain this number.

12. Question: The possible phased approach where you focus first on in-store promotions and then maybe the digital aspect of Phase II, and maybe something else in Phase III. Is this defined somewhere or is that something you would work with the timing with the selected vendor or vendors?

Answer: We would work with the vendor on the phases. Don't want to start a Phase II until the processes are solid from the first phase given that the first phase would be residential and it will be incentives for items we are trying to claim savings on. Then we would approach the vendor and start moving to new territory, either commercial opportunity, on-line or whatever the latest technology is that is available to residential customers and retail location.

Other factors determining Phase II design and implementation include proposed development timeline from vendor, success of the program, EM&V, and future market potentials.

13. Question: Do you have an idea for this time frame?

Answer: There are too many unknown factors governing the development timeline to articulate Phase II or Phase III program design improvements, inclusions or implementations.

14. Question: The AE definition of kW, would that be peak kW or summer peak kW? Is there other information we can refer to get a better handle as to what is defined as kW for the purpose of this solicitation?

Answer: In general, our programs target peak summer demand which is historically during the afternoon in June, July, August, and September. The connected load reduction is diversified to account how it is expected to operate during the summer afternoon and contribute to system wide load reductions.

15. Question: The solicitation asks for certain prices per kW and in lifetime kW. Are you asking for two different prices or the same price for the different denominator?

Answer: The same price divided by the different denominator. We would be looking at it two different ways with the same price divided by two different denominators. Dividing the price by the lifetime is a way to annualize the cost per KW saved and put measures with different lifetimes on the same annualized basis.

16. Question: Looking at Page 10, Section 0500 - Pricing table. Where do you anticipate the cost of incentive to be included: in the rebate processing section?

Answer: The cost of the incentives for performance measures included in the recommended product bundle should be included in the pricing table provided in section 0500, page 10, Section 5 Deliverables. Specifically, the incentive amount should be included in the Bundled Product Mix in \$ per KW year and lifetime kWh (\$per kWh) and Bundled Product Mix Enhancements \$ per kW year and lifetime kWh (\$ per kWh) lines. It is expected that the recommended incentive would be rolled into the number that you report.

There is also a line item in the same pricing table called Rebate Processing \$ per kW year. Please provide costs in \$ per kW year associated with processing upstream, midstream and downstream rebates associated with the Efficient Consumer Products Manufacturer and Retailer Program Product Bundle.

Also as a separate line item, provide as a % of the incentive, the cost to process rebates not included in the Efficient Consumer Products Manufacturer and Retailer Program.

17. Question: Where does the amount of rebate come in for pricing? Where is that accounted for?

Answer: The cost of the incentives for performance measures included in the recommended product bundle should be included in the pricing table provided in section 0500, page 10, Section 5 Deliverables. Specifically, the incentive amount should be included in the Bundled Product Mix in \$ per KW year and lifetime kWh (\$per kWh) and Bundled Product Mix Enhancements \$ per kW year and lifetime kWh (\$ per kWh) lines. It is expected that the recommended incentive would be rolled into the number that you report.

18. Question: How will the other Utilities score; what are those differences; And, how will that affect AE's choice and the subsequent potential participant utilities in the future?

Answer: All the utilities that helped develop the RFP are extremely motivated in not having to develop a RFP for their selves. Once a provider is selected, and when the time is appropriate, they will approach the contractor.

19. Question: Small motor measures and do you anticipate there will be a kW savings or how would we price that in the structure you provided?

Answer: Inclusion of small motor equipment is an omission reduction initiative. The chose provider would not need to track any goals relating to the equipment other than units sold.

