

# ADDENDUM No. 1

## RFP No. 23-65

### Geothermal Advisory Services

**Due: December 13, 2023 by 11:00 a.m. (local time)**

The information contained herein shall take precedence over the original documents and all previous addenda (if any) and is appended thereto. **This Addendum includes four (4) pages.**

**The Proposer is to acknowledge receipt of this Addendum No. 1, including all attachments in its Proposal by so indicating in the proposal that the addendum has been received. Proposals submitted without acknowledgement of receipt of this addendum may be considered non-conforming.**

**The following forms provided within the RFP Document should be included in submitted proposal:**

- **Attachment B – City of Ann Arbor Non-Discrimination Declaration of Compliance**
- **Attachment C - City of Ann Arbor Living Wage Declaration of Compliance**
- **Attachment D - Vendor Conflict of Interest Disclosure Form of the RFP Document**

**Proposals that fail to provide these completed forms listed above upon proposal opening may be rejected as non-responsive and may not be considered for award.**

#### I. QUESTIONS AND ANSWERS

The following Questions have been received by the City. Responses are being provided in accordance with the terms of the RFP. Respondents are directed to take note in its review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

1. Has the City already identified a preferred engineering firm they wish to engage with on this effort, whether informally through discrete communications or formally?  
*The City has not identified a preferred firm to engage with on this effort. All firms interested are encouraged to submit a proposal, and all proposals will be evaluated under the criteria established in RFP 23-65.*
2. I wanted to reach out to ask whether a company's participation as a member of an RFP 23-65 proposal team would render the company ineligible to participate in potential future solicitations for the drilling/construction of any geothermal projects that are contemplated through the RFP 23-65 scope of services.  
*Any bidders who participate in RFP 23-65 would not be eligible to participate in potential future solicitations for the drilling/construction if they are involved in establishing bid specifications upon which a future construction RFP is based.*
3. What is the next step after the conclusion of the work resulting from this RFP? Will the outcome of this RFP be another RFP for design/build? Or will another RFP be issued for detailed engineering? Or Other?  
*The next steps will be determined based on the results and recommendations that come from the completion of the work outlined in RFP 23-65 and based on Council's authorization of funding for future work.*

4. Would the City be interested in a turnkey design-build approach?  
*The City is agnostic towards the approach that a bidder takes in responding to RFP 23-65. However, this RFP is not geared towards building but towards feasibility and some design work. Interested bidders are strongly encouraged to speak to how their firm/team can meet the specific deliverables outlined in the RFP. Bidders can also add additional skillsets or tasks they believe the City should be aware of and/or need as part of future geothermal work.*
5. Will the selected firm be permitted to perform additional work: detail engineering, equipment, construction, etc.?  
*The bidder selected for award must adhere to the full scope of services as outlined in RFP 23-65 or otherwise agreed to by the City. Should bidders believe additional work is necessary to achieve the objectives outlined in the RFP, this work should be identified by the bidder, with justification, during the proposal writing process. Bidders are welcome to include additional services they believe the City should undertake to meet the objectives explicitly identified in RFP 23-65. Otherwise, the decision on additional work would be determined based on the results of the work from this RFP and at the sole discretion of the City.*
6. If a firm works as a subcontractor to a selected firm will the subcontracted firm be permitted to perform additional work: detail engineering, equipment, construction, etc.?  
*Subcontracted firms must adhere to the scope of services listed in the RFP. If the City determines that additional work is needed, as part of a future RFP, any bidders that did not work on construction specifications, regardless of if they are sub or prime, or unsuccessful bidder to RFP 23-65, will be eligible to compete for through future competitive procurement processes.*
7. The scope does not appear defined enough to give fixed costs. Is the request for fees intended to be hourly rates? Or it could be an estimated allowance of hours/expenses to address the questions posed in the RFP with additional time per stated rates? Please clarify intent regarding fees.  
*Bidders should provide a list of all individuals likely to work on the scope of services, along with their hourly rate and the estimated number of hours needed to complete the scope of services as outlined.*
8. Is the vision to install a loop gradually as connections come on board or install the loop all at once?  
*The City is considering all options to future networked geothermal. The goal is that the results from RFP 23-65 will help inform the City's future work related to networked geothermal systems.*
9. The RFP mentions a grant. Please provide details of the grant: timing, amount, scope, etc.  
*In 2023, the City was awarded a grant to plan and design a district geothermal loop in and around the Bryant Neighborhood in Ann Arbor. The work officially kicked off in October 2023, with the process planned to conclude in October of 2024. The scope is to design a district geothermal loop, along with efficiency, electrification, and other renewable energy improvements, that would provide at least 75% of the heating and cooling load to the 262 homes in the neighborhood, an elementary school, a county building, and the City's service center. More information about this grant and the funding program it comes from can be found at the [U.S. Department of Energy Community Geothermal webpage](#). Bidders should note, however, that RFP 23-65 does not directly relate to this grant-funded work.*

10. In 2023, Ann Arbor was awarded funding to design a district geothermal loop around the Bryant Elementary School, including the 262 homes in the neighborhood and the Bryant Community Center, and conduct test boring to test the feasibility of the design. Additionally, the City is looking for other areas in the community that could be a good fit for district geothermal, including the neighborhood directly adjacent to Veteran's Memorial Park.
- Who did this prior study?
  - Who is the City working with to do this past project?
  - What has been done to date as an install of loop and geothermal equipment as a result of this previous study?

*In 2023, the City was awarded a grant to plan and design a district geothermal loop in and around the Bryant Neighborhood in Ann Arbor. The work officially kicked off in October 2023, with the process planned to conclude in October of 2024. The City is currently working with many partners, including Ann Arbor Public Schools, Community Action Network, Washtenaw County, DTE Energy, Michigan Geothermal Energy Association, International Ground Source Heat Pump Association, IMEG, International Brotherhood of Electrical Workers Local 252, U.A. Local 190 – Plumbers, Pipefitters, Service Technicians, and Gas Distribution Workers, Michigan Energy Services, Arbor Consultants, D4, and Midwest Geothermal. The grant has a down-select opportunity, so depending on the results of the work and selection from the Department of Energy, there is the potential to move this project to installation. This study, noted as the "prior study" in the question, has not been complete and no work has commenced to install a geothermal loop and associated equipment.*

11. Regarding existing geothermal:
- Where is the existing geothermal?
  - What is tied into it?
  - Was it all done at one time?
  - Why expand it now?

*There is not currently networked geothermal in Ann Arbor. There are several individual installations in Ann Arbor that are owned by individual entities, none of which are owned by the City of Ann Arbor or on City of Ann Arbor properties. However, the City is looking at geothermal at multiple municipal sites.*

*As for why now, the City has a goal of equitably achieving community-wide carbon neutrality by 2030. Currently, fossil gas accounts for 28% of Ann Arbor's greenhouse gas emissions, of which a large share results from heating demand. To help eliminate this emissions stream, OSI is investigating all options that can provide Ann Arbor with clean, healthy, reliable, and safe heating, and geothermal has been identified as a potential solution.*

12. How is the City going to get residential systems and other private owners on the geothermal loop? As an option to the owners or through an ordinance to require it?

*How the City could scale geothermal adoption is to be determined based on the result of this work. At this time there is no plan to compel residents and businesses through an ordinance. In the areas that are identified as part of the work in this RFP, the City will use its robust engagement presence to conduct outreach with residents and businesses in the area to help understand opportunities and barriers related to geothermal adoption.*

13. Would the City be interested in alternative or additional technologies to achieve sustainability and net zero goals?

*This RFP is specifically for geothermal services. The City is working on alternative and additional technologies on other projects and programs. If a bidder believes other technologies are better suited to achieving the goal of providing clean, healthy, reliable, and safe heating, they should identify the technology, justify its use, and explain how it fits into the RFP in the submittal.*

14. Regarding the fee proposal the RFP requests hourly rates and overhead factors. On the bidders call there was discussion around requesting an upper-limit for fees. In addition to hourly rates, please confirm if an overall fee estimate is required for part C Networked Geothermal Feasibility Study?  
*Applicants should provide an estimated allowance of hours and the expense to address the questions posed in the RFP and state hourly rates should the time allowance be exceeded. Additionally, bidders should provide what they believe to be the necessary hours to complete each task identified in the RFP so that the City can ensure adequate financial resources to achieve the goals and objectives outlined in the RFP.*
15. Would the successful advisory services firm be precluded from supporting the implementation design and engineering?  
*Any bidders who participate in RFP 23-65 would not be eligible to participate in potential future solicitations for the drilling/construction if they are involved in establishing bid specifications upon which a future construction RFP is based.*
16. What is the general schedule for completing part C Networked Geothermal Feasibility Study?  
*The City is estimating six to twelve months for part C. If firms have alternative schedules based on their experience, they should discuss that in their submittal.*
17. Under the proposal format, part B, "Past involvement with similar projects", a list of client references is requested, along with project examples. Is there a particular number of references/projects required?  
*There is no particular number required. Bidders should include however many they feel is appropriate to demonstrate their qualifications, especially as it pertains to working with clients similar to Ann Arbor with scopes of services similar to what is outlined in RFP 23-65.*

Offerors are responsible for any conclusions that they may draw from the information contained in the Addendum.