

ADDENDUM No. 1

RFP No. 22-35

100% Renewable Energy Options Analysis

Due: May 23, 2022 at 2:00 P.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 six (6) 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. CORRECTIONS/ADDITIONS/DELETIONS

Changes to the RFP documents which are outlined below are referenced to a page or Section in which they appear conspicuously. Offerors are to take note in its review of the documents and include these changes as they may affect work or details in other areas not specifically referenced here.

Section/Page(s)	Change
Page 12	Add – Interested bidders can bid on Tasks 1-3, or any combination thereof. All bidders must bid on Tasks 4 and 5.

II. 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.

Question 1: Are there any prior consultant reports related to this work or were the analysis to date prepared by City staff?

Answer 1: No, there are not any prior consultant reports. We do encourage applicants to review the report on the proposed Sustainable Energy Utility posted at www.a2gov.org/a2seu.

Question 2: Is there a public engagement process for this project?

Answer 2: Task 4, outlined on Page 17-18, outlines the only required public engagement. Additional public engagement is not expected but bidders are welcome to include additional engagement in their work plan if they believe it is relevant and important.

Question 3: Would participation in the this RFP for renewable energy analysis preclude us or make us ineligible from potentially performing or bidding on any of the future physical development that arises from this analysis?

Answer 3: No. If selected to conduct the options analysis, firms would not be precluded for bidding on future work that may arise from the findings. However, conducting the options analysis also does not give a firm an advantage on future bids.

Question 4: Referencing page 12 of your Request for Proposal (RFP): "All interested bidders should provide bids that price out each of the first three tasks individually (in a separate sealed envelope). The City may choose separate vendors to complete each task but all tasks must be completed in their entirety." There are elements of the RFP for which we feel we are best qualified. Our question is: Would it be acceptable for us to submit our proposal with only those tasks for which we believe we are best qualified, since you may choose separate vendors for each task anyway?

Answer 4: Yes. Bidders can submit bids for the tasks they believe they are most qualified to complete. All bidders, however, must include cost estimates for Tasks 4 and 5, regardless of whether they bid for Tasks 1, 2, 3, or a combination thereof.

Question 5: Recently, we had a significant delivery delay with an overnight package (proposal) using FedEx. Similar to your RFP, they also requested an electronic copy via flash drive but in addition to including this in our overnight package, we emailed a complete PDF copy of our submitted proposal. The email copy was actually accepted since there was a 3-day storm delay incurred by FedEx in that specific delivery area. Can an emailed version be an acceptable means of delivery in case of unforeseen circumstances similar to that?

Answer 5: No, proposals should be delivered to the City as prescribed within the RFP Document. As provided in the RFP Document on Page 5: "Proposals submitted late or via oral, telephonic, telegraphic, electronic mail or facsimile **will not** be considered or accepted." Further on Page 5: "The City will not be liable to any prospective offeror for any unforeseen circumstances, delivery, or postal delays. Postmarking on the due date will not substitute for receipt of the proposal. Offerors are responsible for submission of their proposal."

Question 6: To what extent is the public engaged in this effort?

Answer 6: The City is currently conducting public outreach regarding the [Sustainable Energy Utility](#), and conducts regular communications with Council and various Boards and

Commissions about the work the City is doing around powering the community with 100% renewable energy. Outside of the City, a group of residents have started a group called Ann Arbor for Public Power which is advocating for traditional municipalization.

- Question 7: Is there any requirement to conduct community engagement as part of the effort?
Answer 7: Task 4, outlined on Page 17-18, outlines the only required public engagement. Additional public engagement is not expected but bidders are welcome to include additional engagement in their work plan if they believe it is relevant and important.
- Question 8: And to what extent will the chosen contractor be involved with public engagement?
Answer 8: The contractor is expected to participate in the activities outlined in Task 4, outlined on page 17-18 of the RFP.
- Question 9: Has the city council established a group of members focused on this effort? If so, are there any meeting notes or other documentation bidders can access and review?
Answer 9: City Council has asked staff to lead this effort with input from the City's Energy Commission. Meeting agendas and minutes of the Energy Commission can be found [here](https://a2gov.legistar.com/DepartmentDetail.aspx?ID=4206&GUID=99C065D9-D162-460D-AA6B-73FF1A04A581): <https://a2gov.legistar.com/DepartmentDetail.aspx?ID=4206&GUID=99C065D9-D162-460D-AA6B-73FF1A04A581>. Additionally, videos of Energy Commission meetings can be found on CTN Ann Arbor: <https://www.youtube.com/channel/UCYqPF1mZQwosdlBniCQw9-w>.
- Question 10: Could you provide information on the City of Ann Arbor's energy consumption on an hourly basis? This would include all energy types, natural gas, electricity diesel, gasoline, etc.
Answer 10: This information, for the entire Ann Arbor community, is not available at this time. The City will work with the successful contractor to gather as much of this information as possible.
- Question 11: Could you provide an outline of the efforts the City has already performed in regard to municipal formation and any documentation from such tasks? This would help create a proposal which does not duplicate tasks the City has already performed.
Answer 11: Staff have not undertaken any activities related to traditional municipalization to-date. Staff have explored the creation of a supplemental utility, known as an Sustainable Energy Utility. Details on this work can be found at www.a2gov.org/a2seu.
- Question 12: Just to confirm is the analysis 20-year time period of the study to start in 2023 or some other date?
Answer 12: The 20-year time-period should start upon commercial operation of a traditional municipal utility and state the starting year in which this is assumed to occur.
- Question 13: What is the desired time for completion of the study or for each Phase?
Answer 13: The City has not established a required timeline as the emphasis is on a quality product that promotes decision-making, but given the urgency of the issue generally, any successful bidder will be required to work expeditiously and to commit to deadlines as part of the contracting process.

Question 14: How often do you anticipate the successful consultant would be required to meet in person with City Staff and/or City Commission?

Answer 14: Task 5 indicates that bi-weekly meetings should be built into the schedule. Those meetings will most likely be virtual as City staff are still mostly meeting virtually. Commission and public meetings will also be virtual. City Council will likely be in person.

Question 15: Are interviews virtual or in person?

Answer 15: Bidders should assume that interviews will be virtual.

Question 16: Is a hard copy proposal really required in addition to an electronic submittal?

Answer 16: Yes, proposals should be delivered to the City as prescribed within the RFP Document.

Question 17: What is the status of the capital planning to support doubling demand by 2030?

Answer 17: Since Ann Arbor has a pre-Foote Act franchise, all capital upgrades are being scheduled and made by the Investor-Owned Utility at this time. The City has been in discussion with our IOU about necessary upgrades, projected growth, and capital improvements but the City does not have documentation outlining place-based or specific capital improvements happening over the next 10 years.

Question 18: All opinions on the permissibility of actions Ann Arbor may take maybe subject to regulatory and or legal proceedings to resolve difference of opinion with DTE and others? Please elaborate on whether certain contingencies should be included in the proposal to address anticipated pushback?

Answer 18: The successful bidder will be required to identify and evaluate risks, including legal risks, associated timing contingencies, and potential costs, where projectable, associated with the actions being evaluated and/or proposed.

Question 19: How much time should be allocated to support the Sustainability Office in its public and council presentations?

Answer 19: We estimated 4 hours per event, including pre-work and preparation, presentation delivery, debriefing, and any required follow-up.

Question 20: Does Ann Arbor have condemnation rights to DTE's assets or if purchased it must be a negotiated sale?

Answer 20: Ann Arbor has the right of eminent domain.

Question 21: Under the Financial Assessments, for the asset valuation task, is the consultant expected to perform an appraisal of the assets or will a book value calculation of existing assets be adequate for determining acquisition value?

Answer 21: The City is expecting the consultant to perform an appraisal of the assets.

Question 22: Under Financial Assessments, for the retail rate comparison between DTE and another option, will consultant be expected to take the revenue requirement created from the municipalization analysis and perform rate design to calculate a rate comparison, or use the rate design formula from DTE's filings to reconstruct rates under new revenue requirement, or will an average cost per customer class comparing what a bill under DTE and a bill under municipalization be an adequate comparison?

Answer 22: We expect to work with the selected consultant to conduct the more realistic assessment of what rates would look like through a traditional municipalization effort. Based on the examples given, the City is most interested in the first option. It is not expected that the consultant would be required to use DTE's rate structure (e.g. consultants do not need to use DTE's cost allocation between residential/commercial/industrial customers if a different allocation is more commonly used by publicly-owned utilities).

Question 23: Do all subcontractors have to submit the forms in Attachments A-D?

Answer 23: No, just the prime must submit these forms.

Question 24: Are Certificates of Status or Certificates of Good Standing issued by the Secretary of State of the state in which the applicant is located sufficient to meet the requirement in Attachment A (Legal Status of Offeror) to submit a Certificate of Authority, if an out of state business entity?

Answer 24: Yes. However, if selected, all contractors must comply with Michigan law regarding registration prior to beginning work.

Question 25: Does AA have a budget in mind for this effort?

Answer 25: The City requests that firms providing pricing that mirrors what it will take to complete the project as outlined. Staff have requested \$250,000 in Fiscal Year 2023 budget support in funds that could be used for this and other work, but bidders should propose the costs to complete the work as described.

Question 26: Due to the nature of the RFP and its sustainability mission, would AA consider electronic only submission for this RFP?

Answer 26: No, proposals should be delivered to the City as prescribed within the RFP Document.

Question 27: Refer to Section III.B, what is the preferred number of client references that City is seeking with the proposal submission?

Answer 27: There is no minimum or maximum requirement.

Question 28: Refer to Section II Scope of services, has City set aside a budget (either maximum or estimated) for successfully completing tasks outlined in the scope? If yes, please share the budget allocated for this study.

Answer 28: The City requests that firms providing pricing that mirrors what it will take to complete the project as outlined. Staff have requested \$250,000 in Fiscal Year 2023 budget support in funds that could be used for this and other work, but bidders should propose the costs to complete the work as described.

Question 29: Refer to Section III.D, what is City's preferred commercial arrangement for the fee proposal? Alternatively, would City entertain either a fixed fee (for each task) or a time & material-based fee proposal?

Answer 29: The City would entertain either pricing arrangement.

Question 30: Refer to Section I.O, what is the tentative start of the project? Is it fair to assume for the project to kickoff right after the City Council Authorizations that is expected in July/August 2022 timeframe? If not, please specify the tentative start date of the project?

Answer 30: The project is anticipated to begin as soon as Council authorization is granted and contracts have been signed.

Question 31: Refer to Section I.O, is there a preferred timeline that City is targeting for the work to be completed? Alternatively, does the City or Office of Sustainability and Innovations' have any planned future activities that requires this study to be completed? If so, please specify the timeline of such planned activities.

Answer 31: The City has not established a required timeline as the emphasis is on a quality product that promotes decision-making.

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