

Commonwealth Invitation to Qualify For Electricity Demand Response Services

PART I – STATEMENT OF WORK

1. **Purpose:** The purpose of this Demand Response Services Invitation to Qualify (ITQ) is to qualify responsible and responsive Curtailment Service Providers (CSP) to facilitate the participation of Commonwealth facilities in Demand Response Programs administered by PJM Interconnection, LLC

This ITQ will result in a contract that is the first step of a two-step procurement process. Only those CSPs that respond to this ITQ and that the Department of General Services (“Department”) determines to be qualified (Qualified Suppliers) will be eligible to participate in the second step.

The second step involves the issuance of Requests for Quotes (RFQ) to the Qualified Suppliers. Through this two-step process, Commonwealth agencies and/or individual facilities will offer Qualified Suppliers the opportunity to submit quotes on an as-needed basis to provide demand response services. The Qualified Suppliers selected through the RFQ process (Selected CSPs) will perform these services in accordance with the terms of this ITQ Contract and the respective RFQ.

2. **Issuing Office:** This ITQ is issued by the Commonwealth of Pennsylvania, Department of General Services, Bureau of Procurement. The Issuing Office is the sole point of contact in the Department for this ITQ

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3. **Term of Contract:** The term of the Contract shall commence on June 1, 2017 and shall end when terminated by the Commonwealth pursuant to Section 23 of Part IV, Termination Provisions.

It is understood that in order to participate in certain PJM Demand Response programs for the 2017-2018 PJM Year starting June 1, 2017, participants must be enrolled in the programs prior to June 1, 2017. Therefore, participating locations may begin soliciting quotes from Qualified Suppliers immediately after all contracts resulting from the initial open enrollment window have been fully executed. Likewise, Suppliers selected through the RFQ process are permitted to perform any work necessary to enroll awarded facilities in the applicable 2017-2018 PJM programs with the effective date of the services to be June 1, 2017.

4. **Addenda to ITQ:** If it becomes necessary to revise any part of this ITQ, an addenda will be executed and posted to the Issuing Office website, www.emarketplace.state.pa.us

5. **Alternate Proposal:** The Issuing Office will not accept alternate proposals. Alternate proposals are those that are provided in a form other than that specified by the Issuing Office. The Issuing Office will not accept proposals wherein a supplier alters any of the forms provided in the application.
6. **Rejection of Proposals:** The Commonwealth reserves the right to reject any and all proposal received as a result of this ITQ.
7. **Incurring Costs:** The Commonwealth is not liable for any costs or expenses incurred in the preparation and submission of a proposal.
8. **Service Categories:** For this ITQ Contract, there is one service category, which shall encompass all available Demand Response Programs offered by PJM Interconnection LLC.
9. **Specifications:**
 - A. In order to become a qualified CSP on this ITQ, a prospective contractor must be a licensed PJM Member Curtailment Service Provider.
 - B. CSPs awarded through the RFQ Process (referred to herein as an Awarded CSP) shall be responsible for enrolling Commonwealth facilities in PJM Demand Response Programs as indicated in an RFQ. The Awarded CSP shall be responsible for ensuring that the facility meets all PJM requirements for participation in the enrolled programs and for managing all aspects of their participation.
 - C. All work performed by an Awarded CSP on this contract shall be completed in accordance with requirements of the PJM Interconnection, LLC.
 - D. The Awarded CSP shall determine the amount of curtailable load available at a facility through site visits and/or consultation with facility personnel.
 - E. The Awarded CSPs is responsible for determining the baseline usage amounts for a participating facility and for performing the data reconciliation necessary to verify performance in curtailment events.
 - F. The Facility Manager and/or designated Agency personnel shall have final say over the PJM Programs in which a facility will participate and where applicable, the curtailable load to be nominated into a particular PJM Program.
 - G. The use of emergency generators or other Commonwealth-owned generation units in PJM Demand Response programs shall not interfere with a participating facility's requirements for emergency generation capabilities.
 - H. The use of emergency generators or other Commonwealth-owned generation units in any PJM Demand Response program shall be in full compliance with all applicable federal and state environmental regulations. The Awarded CSP shall be responsible for ensuring compliance with any such regulations.

- I. This ITQ Contract is not intended for and does not include services related to any demand response or demand management programs offered by PUC regulated Electric Distribution Companies (EDC)

10. RFQ Procedures:

- A. The Commonwealth shall issue requests for quotes (RFQ) for Demand Response services on an as needed basis. The Commonwealth will solicit quotes from all Qualified CSPs. Quotes may be solicited in writing via email or a web based interface. The RFQ will include specific details regarding the term length and CSP fee structure. The RFQ will also include specific details regarding the included facility(s) such as historical electric account usage information, information regarding emergency generators present at the participating facility(s), connected loads, or historical performance in PJM Demand Response Programs.
- B. In order to be considered for award, a Qualified CSP must respond to an RFQ as specified in the RFQ. It is the responsibility of the Qualified CSP to ensure that its quote is received at the location specified on the RFQ prior to the date and time set for the opening of quotes, regardless of the medium used. No quote shall be considered if it arrives at the location specified on the RFQ after the date and time set for quote opening. In the event that, due to inclement weather, natural disaster, or other cause, the agency's offices are officially closed on the date scheduled for the quote opening, the quote opening date shall be automatically postponed until the next Commonwealth business day, unless the Qualified Suppliers are otherwise notified by the Purchasing Office that issued the RFQ. Should the quote opening date be postponed as outlined above, the quote opening time shall remain the same.
- C. Quotes must be firm. If a quote is submitted with conditions or exceptions or not in conformance with the terms and conditions referenced in this Invitation to Qualify or the Request for Quote, it shall be rejected. The quote shall also be rejected if the materials offered by the Qualified Supplier are not in conformance with the specifications as determined by the Commonwealth.
- D. Supplier Selection: The Commonwealth will select a Qualified Supplier based upon best value. The Commonwealth reserves the right to reject all quotes for an item or all items if it is determined to be in the best interest of the Commonwealth. For this ITQ Contract, the best value quote shall be the quote that provides for the highest potential revenues.
- E. Notice to Proceed: The Commonwealth will issue a notice to proceed to the Selected CSP. A Commonwealth Purchase Order will not be issued nor will a Purchase Order be required for work performed on this ITQ Contract.

11. Payment Process: by submitting an application to become qualified on this ITQ, the CSP agrees to remit payment to participating facilities through either of the following methods:

- A. Payment directly to the participating facility, via check or another method.

- B. Via check issued to the participating facility's Electric Distribution Company (EDC) referencing the applicable facility account(s).

12. Reporting Requirement: Awarded CSPs are required to provide performance/revenue reports at the end of each PJM performance year or upon request by the Issuing Office. This report shall list the performance of all participating facilities or groups of facilities served by the Awarded CSP through this Contract. Awarded CSPs will be required to report the following data elements at a minimum:

- A. Amount of curtailable load committed to or nominated into a particular PJM program at the facility (or aggregate grouping) level
- B. Actual performance vs. load committed into a particular program at the facility (or aggregate grouping) level
- C. Anticipated annual revenues based on kilowatt commitments
- D. Actual revenues earned
- E. Monthly revenue payment amounts by facility or aggregate grouping
- F. Method of payment of revenues earned

13. Notice to Proceed: All references to "purchase order" or "purchase orders" in the Contract Terms and Conditions (Part IV) shall be replaced with a reference to the defined term "Contract". A written notice to proceed signed by the Commonwealth will constitute the Contractor's authority to perform services.

14. Enhanced Minimum Wage Provisions:

- A. **Enhanced Minimum Wage.** Contractor/Lessor agrees to pay no less than \$10.15 per hour to its employees for all the hours worked directly performing the services called for in this Contract/Lease, and for an employee's hours performing ancillary services necessary for the performance of the contracted services or lease when such employee spends at least twenty per cent (20%) of their time performing ancillary services in a given work week.
- B. **Adjustment.** Beginning January 1, 2017, and annually thereafter, Contractor/Lessor shall pay its employees described in Paragraph 1. above an amount that is no less than the amount previously in effect; increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication as determined by the United States Bureau of Labor Statistics; and rounded to the nearest multiple of \$0.05. The applicable adjusted amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.

- C. **Exceptions.** These Enhanced Minimum Wage Provisions shall not apply to employees:
- i. exempt from the minimum wage under the Minimum Wage Act of 1968;
 - ii. covered by a collective bargaining agreement;
 - iii. required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act; or
 - iv. required to be paid a higher wage under any state or local policy or ordinance.
- D. **Notice.** Contractor/Lessor shall post these Enhanced Minimum Wage Provisions for the entire period of the contract conspicuously in easily-accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed.
- E. **Records.** Contractor/Lessor must maintain and, upon request and within the time periods requested by the Commonwealth, furnish all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.
- F. **Sanctions.** Failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.
- G. **Subcontractors.** Contractor/Lessor shall include the provisions of these Enhanced Minimum Wage Provisions in every subcontract so that these provisions will be binding upon each subcontractor.