



APPENDIX E – REQUEST FOR PROPOSAL



Request for Proposal

**for
Rate Advisory Committee Consultant Services**

Request for Proposal No. 7000158008

Issued: March 11, 2020

Proposal Submission Deadline: March 25, 2020 by 3:00 p.m. (Central Time)

**CPS ENERGY
P.O. BOX 1771
SAN ANTONIO, TEXAS 78296-1771
www.cpsenergy.com**

Please complete and return the following Acknowledgement of Receipt to indicate that you have received our Request for Proposal (RFP) and wish to participate in this RFP process.



Acknowledgement
of Receipt.docx



I. PURPOSE

A. STATEMENT OF INTENT

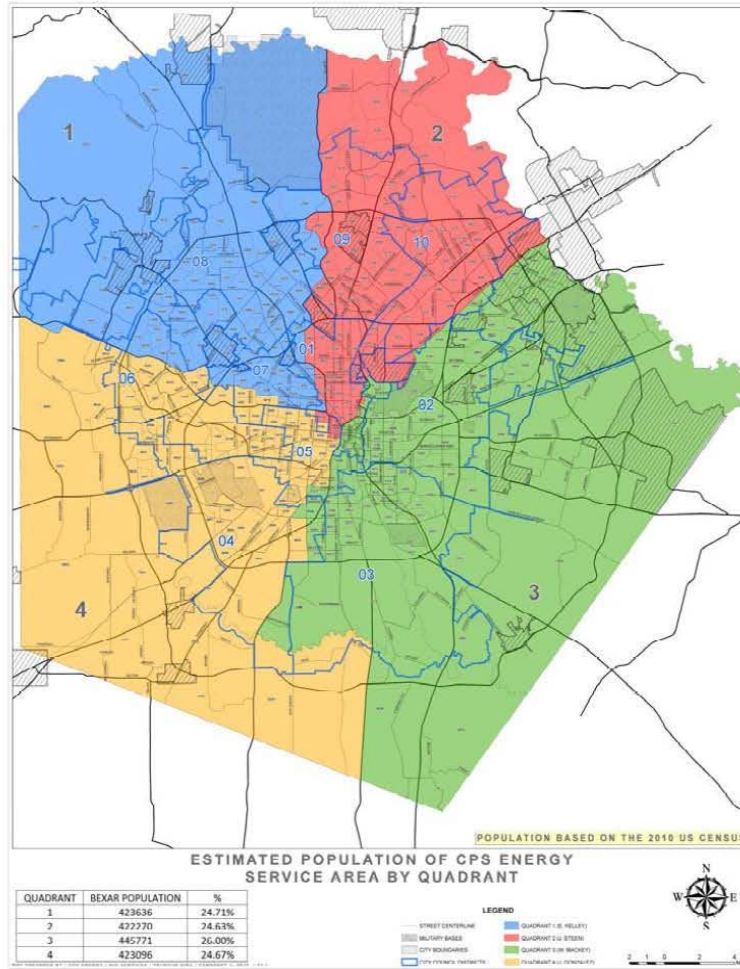
The City of San Antonio, acting by and through City Public Service Board (“**CPS Energy**”) issues this Request for Proposal (“**RFP**”), to solicit formal offers (“**Proposals**”) for Rate Advisory Committee consulting services.

RATE ADVISORY COMMITTEE CONSULTANT

CPS Energy, San Antonio’s homegrown utility, has been in existence for approximately 160 years and has been owned by the community through the City of San Antonio for more than 77 years.

Through its President & CEO, CPS Energy’s Management Team (“**Management**”) reports to a five-member Board of Trustees. Four of the members geographically cover one of four adjacent quadrants, fully encompassing Bexar County. The fifth member of the Board is the Mayor of San Antonio who serves in an ex-officio capacity.

CPS Energy’s certificated area touches seven other counties. The City of San Antonio is located only in Bexar County, which is entirely encompassed in the utility’s official service territory.



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The full Board oversees Management’s business model, including its major strategies and policies. Toward that objective, the Board has instructed Management to use the following guiding pillars and foundation to drive its short-, medium-, and long-term business decisions:



As requested by the Board of Trustees in a Resolution dated March 2, 2020, CPS Energy is seeking proposals from qualified consultants to support and provide subject-matter expertise to a new community-based Rate Advisory Committee (“RAC”). It is expected that this committee will consist of a representative cross-section of CPS Energy’s customer base. The RAC will work with an internal group of utility designees, as well as when applicable, team members from the City of San Antonio, to periodically provide insights, ideas, and recommendations to Management and its Board of Trustees.



Expected Consultancy Objectives:

- Ensure RAC members understand CPS Energy’s cost-of-service and the role of that information in designing rates and structures
- Assist the RAC in understanding current rates and impacts on various customer segments
- Support Management in explaining CPS Energy’s business model and financial implications, including how its generation assets are accounted for in the rates

- Provide support in evaluating rate design changes or rate structure changes recommended by the RAC and the impacts on customer segments to ensure design or structure changes are fair, objective, reflect cost-of-service, promote conservation, and consider impacts on the environment
- Identify emerging trends in utility rate design
- Promote transparency and stakeholder input into the rate design process

Scope - The Consultant will work with Management to:

- Create alignment on goals, objectives, and potential outcomes of the RAC
- Develop and present materials and concepts explaining basic utility ratemaking, cost-of-service, rate definitions, and how cost-of-service modeling is used to create rates and structures that are fair and objective by customer segment
- Help Management explain CPS Energy's current rates by customer group / segment
- Explain CPS Energy's business model and financials to the RAC in easy-to understand language
- Assist the RAC in understanding the:
 1. Energy Load / Demand data;
 2. Customer characteristics by group and the impacts of diverse load profiles within customer categories on the distribution system and wholesale (energy supply) portfolio
- Support the RAC in:
 1. Assessing any changes or adjustments to existing rate designs or structure;
 2. Creating new rate designs and structures;
 3. Evaluating the revenue requirements for proposed changes;
 4. Ensuring proposed changes are equitable, objective, fair, reflect cost-of-service and have assessed the impact on the environment
- Develop bill comparisons of rate design changes, new rate structures or rate designs against existing rates and structures
- Identify emerging rate designs in the utility industry, and well as other viable pricing mechanisms from the non-utility industry

The Consultant will also be expected to:

- Attend RAC, Board of Trustees, or other meetings, as well as applicable Board public input sessions
- Create presentations
- Work as requested by Management
- Answer questions for the Board of Trustees and / or the various City Councils that represent CPS Energy's service territory



Timeframe:

The initial engagement is expected to be one (1) year. Through mutual written agreement, the Consultant and CPS Energy may opt into an additional one (1) year extension.

This RFP seeks Proposals from companies (each a “**Respondent**”) in providing RAC consulting services. Respondents shall develop a Proposal as a **Statement of Work (“SOW”)**, to be executed pursuant to the Services Agreement set forth in Section II(D) of this RFP.

B. ABOUT CPS ENERGY

CPS Energy is the nation’s largest municipally owned energy utility providing both natural gas and electric service. Acquired by the City of San Antonio in 1942, CPS Energy serves more than 800,000 electric customers and 340,000 natural gas customers in and around San Antonio (1,515 square mile service area). CPS Energy is governed by a five-person Board of Trustees, consisting of the Mayor of the City of San Antonio and four citizens, each representing one of the four geographical quadrants of the City of San Antonio. Information about CPS Energy’s history, operations and Management is available on www.cpsenergy.com.

C. CONTACT INFORMATION, QUESTIONS AND ANSWERS

During the solicitation period, the Procurement Analyst identified below shall be the sole contact for any inquiries from prospective Respondents. Any inquiries from Respondents shall be submitted in writing by electronic mail.

Marco Gomez Quintanilla
Procurement Agent, Supply Chain
mgomezquint@cpsenergy.com

D. RESTRICTIONS ON COMMUNICATIONS

Respondents are prohibited from communicating with CPS Energy employees, representatives, staff, or Board Members regarding this RFP during the period in which submittals have been solicited or are being evaluated (other than the Procurement Analyst identified in herein in the designated manner), with the exception of pre-submittal meetings open to all Respondents or responses to questions posed during interviews scheduled after responses are received and opened. Restricted communication includes, but is not limited to, “thank you” letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the RFP and/or submitted Proposals. Violation of this provision by Respondents or their agents may lead to disqualification of the Respondent’s Proposal.



E. RFP SCHEDULE

CPS Energy will make a concerted effort to maintain the schedule below but reserves the right to revise the schedule based on CPS Energy’s business needs.

<u>Milestone</u>	<u>Date</u>
RFP Issuance	March 11, 2020
Deadline for Respondent’s Questions	By 5:00 p.m. (Central time) on March 16, 2020
CPS Energy Responses to Submitted Questions	March 20, 2020
<u>Respondent Proposals Due</u>	<u>By 3:00 p.m. (Central time) on March 25, 2020</u>
Proposed Contract Commencement	March 30, 2020

F. AMENDMENTS TO SOLICITATION

CPS Energy may amend this RFP. If this RFP is amended, all terms and conditions that are not amended remain unchanged.

II. PROPOSAL

A. PROPOSAL SUBMISSION

1. Proposal Format. Respondent must submit three (3) electronic files:
 - 1) **Business & Technical Proposal** (Section II (B) below), a text-searchable PDF (portable document format, non-zipped) document;

- 2) **Cost Proposal** (Section II (C) below), a text-searchable portable document format (PDF), non-zipped document; and
 - 3) **Contract Terms & Conditions** (Section II (D) below), a Microsoft Word (or compatible) document, with comments if any, with tracked-changes enabled.
2. Proposal Submission Requirements.
- 1) All electronic components of the Proposal must be emailed to the Procurement Analyst's email address specified herein on or before the RFP Proposal Due Date identified in the RFP Schedule above.
 - 2) CPS Energy will evaluate the Respondent's Proposal and the Respondent's ability to satisfactorily perform Services and/or provide Goods or Software. Proposals not meeting all requirements are subject to rejection.
 - 3) Additional Requirements and Terms and Conditions related to Proposal Submissions can be found below in Addendum A.



Addendum A -
Additional Proposal R

B. BUSINESS & TECHNICAL PROPOSAL

1. Table of Contents

A table of contents of all sections, figures, exhibits and tables of the Proposal, preferably bookmarked (or tabbed) on the PDF of the submitted Proposal. The bookmarks (tabs) in the submitted Proposal should match up with the numbering of the Proposal Submission Requirements listed in the RFP.

2. Cover Sheet

The Cover Sheet shall contain the following:



- a. The solicitation number;
- b. The name, address, telephone number, and email address of the Respondent; and
- c. The names, titles, and contact information of the person(s) authorized to make representations on Respondent's behalf with CPS Energy.

3. Summary

A brief summary of the major facts or features of the Proposal, including any conclusions, assumptions, and recommendations the Respondent desires to make.

4. Company/Firm Overview

- a. Overview. The name and a brief description or history of the Respondent.
- b. Location. The location of the Respondent's headquarters and branch locations that will have individuals assigned to CPS Energy, or where Respondent will manufacture Goods.
- c. Local Presence. If the Respondent has offices within the San Antonio metropolitan area, indicate the name, type (headquarters, branch, etc.), address, telephone number, number of employees, and the general nature of business undertaken at each San Antonio area location.
- d. Environmental Sustainability Practices. CPS Energy is dedicated to environmentally conscious practices that lead to the betterment of our community. To that end, CPS Energy prefers to purchase products and materials, where feasible, that demonstratively minimize the harmful effects to the environment from their production, transportation, use and / or disposition. This is aligned to our belief that the focus on improving our overall environmental footprint benefits our community and our customers. Please provide information regarding Respondent's environmental sustainability practices, if any.

5. Experience and Qualifications

- a. A description of the Respondent's operational history which reflects that the Respondent has been actively performing similar Services for a minimum of five (5) years.

- b. Describe the Respondent's experience and qualifications. Provide information demonstrating the qualifications and resources the Respondent currently has available to provide the Services, including a description of all resources that will be used.
- c. References. A minimum of three (3) references from the last five (5) years from different companies which the Respondent has provided similar Services, Goods, or Software to those identified in this RFP, which shall include the company name, complete address, and contact person's name, phone number and email address for each reference submitted. A brief description of the Services performed by the Respondent shall accompany each reference. In addition to the list provided, CPS Energy reserves the right to independently contact other companies with which the Respondent has engaged in a business transaction.
- d. Citations. A list of any citations, notices of violation, legal proceedings, fines, or project terminations that any Federal, State, local regulatory agency or department, corporation, or individual has issued to or against the Respondent, or any employee of the Respondent while that employee was working for the Respondent, during the past three (3) years ("Citations"). For each Citation, state the nature of the Citation and the date of its resolution, together with the contact person for the Respondent who could address any questions about the matter. If there are no Citations, Respondent shall provide such a statement.

6. Project Team

- a. Provide information regarding all key personnel to perform the Services ("**Key Team Members**"). No changes in the proposed Key Team Members will be allowed following proposal submittal.
- b. Identify and submit resumes for all Key Team Members.
- c. Identify current commitments of each Key Team Member.
- d. Highlight specific strengths of each Key Team Member.
- e. Proposed function (role) of each Key Team Member on the project.
- f. Relevant experience, individually and collectively, in the following specific areas: utilities, generation, customer service, utility billing, cost-of-service studies, stakeholder engagement with customers, communities, and elected officials.
- g. Information regarding any alternatives to Key Team Members.

7. **Responsible Respondent Questionnaire**

Respondent shall complete and submit the following Responsible Respondent Questionnaire:



8. **Disclosure**

Respondent shall complete and submit the following Disclosure:



9. **Subcontractors, Subsidiaries & Multiple Parties**

a. Respondent shall complete and submit the following Subcontracting Form:



- b. **Subcontractors.** Additionally, Respondent shall submit resumes including detailed experience of each proposed subcontractor, **if applicable**. All Services, Goods, or Software furnished by a subcontractor in lieu of the Respondent shall be so stated in the Respondent's Proposal and shall be included in the Respondent's Fees/Compensation or Price Schedule.
- c. **Subsidiaries.** **If applicable**, any subsidiary of Respondent that may perform any of the Services or provide any of the Goods or Software, in whole or in part, must be approved by CPS Energy prior to execution of a contract. For any subsidiary of Respondent who will provide Services or to whom the Respondent expects to delegate any of the Services, provide the name, address, and a list of management and key personnel, including resumes showing the experience of individuals actually performing the Services. All Services, Goods, or Software furnished by a subsidiary in lieu of the

Respondent shall be so stated in the Respondent's Proposal and shall be included in the Respondent's Fees/Compensation and/or Price Schedule.

- d. **Multiple Parties.** If applicable, Proposals that include a joint venture, partnership, affiliated business arrangement, or consortium with other vendor applications or with subcontractors, should contain the following information relating to each proposed participating member: company name, business address, telephone number, year company was established, ownership of company, and a description of participation in Respondent's Proposal.

10. Business Questionnaire

- a. Respondent shall complete and submit the following CPS Energy Business Questionnaire and a current year Form W-9 with the Respondent's Proposal. Business Questionnaires shall only be considered valid for one (1) year from classification date and must be updated with a new Business Questionnaire beyond such one (1) year period.



CPS Energy Business Questionnaire (Rev 9-



Form W-9.pdf

- b. The Business Questionnaire assists CPS Energy, who is a federal contractor, with reporting its contracting activity to the federal government, in identifying a Respondent's business, if applicable, as Local, Small, and/or Diverse in accordance with the definitions/descriptions below:

Local – A business that maintains a business office in the San Antonio Metropolitan Statistical Area, as identified in the 2012 Economic Census, U.S. Department of Commerce Economics and Statistics Administration U.S. Census Bureau. The area includes the following counties: Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson.

Small - A business that does not exceed the Small Business Administration's size standards, which vary by work category. Information about each category and size standard can be located by going to <http://www.sba.gov/size/indexableofsize.html>



Diverse - A business which meets one of the following classifications: Women, Minority, Veteran, Historically Underutilized Business (HUB) Zone, or Service-disabled Veteran.

C. COST PROPOSAL - PRICE/FEES/COMPENSATION

This section requests the Respondent's price and fees for providing the Services, Goods or Software requested.

1. Fees. Respondent shall submit a Fee proposal which shall be included as an Exhibit to the proposed SOW.
 - a. CPS Energy understands that the degree of effort may vary. CPS Energy is open to monthly progress payments based on an hourly rate structure by position corresponding to the nature of tasks and magnitude of work completed in a given month and we are amenable to cost proposals that provide total expected cost ranges based on time and materials.
 - b. All fee arrangements must clearly state the type and amount of expenses and costs CPS Energy would incur relating to Respondent's Services.
 - c. CPS Energy will also consider a pricing schedule for optional additional analysis a Respondent can offer that adds additional value, which CPS Energy may elect to perform.

D. CONTRACT TERMS & CONDITIONS

1. Existing Agreement/Terms and Conditions

If Respondent has a current, non-expired Master/Services Agreement or Terms and Conditions with CPS Energy with an Effective Date of February 1, 2016 or later, either: (1) provide a copy of the relevant Agreement or Terms and Conditions, or (2) reference the CPS Energy Purchase Order related to the relevant Agreement or Terms and Conditions. CPS Energy reserves the right to negotiate a new Agreement or Terms and Conditions other than that provided by or referenced by Respondent.





2. Exceptions

Any and all exceptions to the scope of services, statement of work, requirements, specifications, or the terms and conditions of the proposed contract(s) (unless provided in accordance with the above section) must be clearly acknowledged and inserted in "tracked-changes" (red-lined) format using Microsoft Office or compatible and must accompany the Proposal. If there are no exceptions, the words, "NO EXCEPTIONS," must be stated either on the proposed contract or in the Proposal.



III. CONTRACT EVALUATION AND AWARD

A. EVALUATION FACTORS

1. In evaluating Proposals, CPS Energy in its sole discretion, will give weight and importance to the evaluation criteria listed below in order of most-to-least important:
 - Experience and qualifications;
 - Project Team;
 - The ability to meet CPS Energy's requirements;
 - Demonstration of stakeholder engagement capabilities;
 - The overall cost; and
 - Economic Development.
2. Economic Development. Respondents classified as a local business in accordance with the zip codes defined within the San Antonio metropolitan area, and/or a small, disadvantaged, minority-owned, woman-owned, service-disabled, veteran-owned, HUBZone business, will receive a preference in the evaluation process.

B. CONTRACT AWARD

1. Policies & Procedures. This procurement will comply with applicable CPS Energy procurement policies and procedures. The evaluation factors outlined above shall be applied to all eligible, responsive Proposals. Qualifying Proposals will be assessed in order to identify the best value to CPS Energy. CPS Energy may or may not choose to award a contract under this solicitation.
2. Investigations. CPS Energy may conduct investigations, as deemed necessary, to assist in the evaluation of any Proposal and to establish the responsibility, qualifications, and financial ability of the Respondent, proposed subcontractors, and other persons and organizations who may perform Services or provide Goods and/or Software. The Respondent shall furnish, upon request and in a timely manner, all such data and information requested for this purpose.
3. Award.



- a. CPS Energy will evaluate all Proposals based upon the evaluation criteria set forth in this RFP and as further clarified throughout the evaluation process. Based upon CPS Energy's initial evaluation of the Proposals, CPS Energy may make a final decision for award or may prepare a short list of apparent qualified Respondents. CPS Energy may select one or more potential Respondents as candidates for a contract award.
 - b. CPS Energy may or may not award a contract to a Respondent after analysis and evaluation of the Proposals.
 - c. CPS Energy may evaluate Proposals and award a contract without discussions with Respondents (except for necessary clarifications). Therefore, the Respondent's Proposal should contain the Respondent's best terms from a price and technical standpoint. CPS Energy reserves the right to conduct discussions if CPS Energy later determines them to be necessary.
 - d. CPS Energy will evaluate the Proposals to determine which, in CPS Energy's sole judgment, represents the best value for the Services, Goods, and/or Software requested.
 - e. The award under this RFP does not in and of itself create a binding agreement between CPS Energy and the successful Respondent. An agreement including all terms, conditions, exhibits, and attachments must be executed by both CPS Energy and the successful Respondent in order to create a binding enforceable agreement between CPS Energy and the successful Respondent. No Respondent may rely upon the award of a contract as a promise by CPS Energy to enter an agreement, and no Respondent may rely upon any written or oral statement(s) or representation(s) as to the award of a contract or intention to enter an agreement made by any CPS Energy personnel. Subsequent to CPS Energy granting an award, it is contemplated that there may be a period of negotiations to finalize a contract between the parties.
 - f. CPS Energy reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the Respondent specifies otherwise in the Proposal.
4. **Short List.** If CPS Energy determines that the number of Proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, CPS Energy may limit the number of Proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.



5. Unbalanced Pricing. CPS Energy may determine that a Proposal is unacceptable if the prices proposed are materially unbalanced between line items or subline items. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more line items is significantly overstated or understated as indicated by the application of cost or price analysis techniques. A Proposal may be rejected if CPS Energy determines that the lack of balance poses an unacceptable risk to CPS Energy.
6. Preservation of Contract Information. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to the Agreement and contractor or vendor agrees that the contract can be terminated if contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter.
1. Board Approval. While preliminary selection, due diligence and even detailed negotiations and other processes could transpire to ensure critical progress is made, any action taken to award a contract by CPS Energy may be subject to approval by the CPS Energy Board of Trustees and may not be final until such approval process has been completed. No payment can be made for action taken or Services started prior to the execution of a contract by both parties.