**REQUEST FOR PROPOSAL**

**FOR**

**MID MARKET DEMAND RESPONSE SOLUTION**

****

**REQUEST FOR PROPOSAL NO. 7000133037**

**ISSUED: June 26th, 2015**

**PURCHASE ORDER NO. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CPS ENERGY**

**P.O. BOX 1771**

**SAN ANTONIO, TEXAS 78296-1771**

**10469245**

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# SECTION A - INVITATION FOR PROPOSALS

**Request for Proposal No. 7000133037**

## INTRODUCTION

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, we serve more than 765,000 electric customers and 335,000 natural gas customers in and around San Antonio (1,515 square mile service area).

The City of San Antonio, acting by and through City Public Service Board (“CPS Energy”), is initiating a project for a Mid-Market Demand Response Solution. CPS Energy is soliciting proposals, including the software, databases, implementation, training, documentation, maintenance services, warranties and support services (“Goods, Services, and System”) necessary to implement this system. This document provides specifications and requirements to serve as a guide to Respondents for use in formulating their Proposals.

Demand Response (DR) program is a key component of CPS Energy’s Save for Tomorrow Energy Plan (STEP). The program aims to reduce demand on the CPS Energy electrical system during peak hours. In 2014, the DR Program will be in its sixth year of operation. CPS Energy has come to rely on DR customers as a “virtual peaking power plant.” On hot summer days, the expectation is that DR customers will be there to help meet the need for critical power.

This reduction in demand is made possible by customers who commit to curtail their energy usage when called upon by CPS Energy or have technology installed to automate their energy reduction. Participants may earn a CPS Energy rebate for their reductions based on satisfying performance requirements in the DR customer agreement. Any customer incentives for participation in DR events will be paid directly by CPS Energy to the customer. Participants may also receive free equipment/software to enable their energy management.

CPS Energy reserves the right to reject any and all Proposals and to waive minor formalities and irregularities. CPS Energy reserves the right to evaluate the Proposals to determine which, in CPS Energy’s judgment, represents the best value for the Goods, Services, and System requested.

CPS Energy assumes no liability or responsibility for the costs incurred by the Respondents for any materials, efforts or expenses required in the preparation of Proposals or in connection with presentations or demonstrations prior to the issuance of a Contract.

CPS Energy will initially evaluate all Respondent Proposals based upon evaluation criteria set forth in the RFP and as further clarified throughout the evaluation process. Based upon CPS Energy’s initial evaluation of Respondent Proposals, CPS Energy may make a final decision for award or may prepare a short list of apparent qualified Respondents. Respondents may be requested to conduct product overviews and demonstrations, if needed, to assist CPS Energy in the evaluation process. Following this evaluation and clarification, CPS Energy may select one or more potential Respondents as candidates for the contract award. During this period, CPS Energy will enter into discussions and negotiations with each short-listed Respondent, after which each may be required to prepare a “Best and Final” offer to the Proposal.

CPS Energy shall enter into a contract(s) with the Respondent who, in CPS Energy's sole judgment, provides the **best value** and the most benefit to CPS Energy. The contract(s) will include all terms and conditions agreed upon by the parties and this RFP and all exhibits and attachments (collectively, the “Contract Documents”). The Mid Market Demand Response Solution, contract will provide for Respondent to install the proposed System on CPS Energy’s infrastructure in a fully functional environment in accordance with the system requirement documents provided as part of this RFP. The RFP response should include:

* a complete description of the Goods, Services, and System to be provided, including a description of the particular hardware and software product(s) to be provided;
* a description of any software modifications required by CPS Energy;
* a detailed description of the architecture and integration points and functionality within the final System;
* an overall implementation plan;
* implementation and resource schedules;
* final acceptance criteria for the Work; and
* a fixed fee Contract Price must be provided as part of the Compensation Schedule.

If CPS Energy decides to enter into a contract for the Mid Market Demand Response Solution, with a Respondent, the system requirements documents shall be incorporated herein as part of the Contract Document.

During the solicitation period, Ms. Tomasita Swift, from perspective Respondents. Any inquiries from Respondents shall be submitted in writing by electronic mail to Ms. Tomasita Swift at  [ttswift@cpsenergy.com](mailto:%20ttswift@cpsenergy.com). Respondents are prohibited from communicating with CPS Energy representatives, staff, or Board Members regarding this RFP during the period in which submittals have been solicited or are being evaluated (other than Ms. Tomasita Swift in the above-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. Violation of this provision by Respondents or their agents may lead to disqualification of Respondent’s Proposal.

## PURPOSE OF THE REQUEST FOR PROPOSAL

The purpose of this Request for Proposal (“RFP”) is to present CPS Energy’s requirements for a Mid-Market Demand Response Solution, and to provide sufficient information to enable qualified Respondents to submit written Proposals. The RFP is not a contractual offer or commitment to purchase Goods, Services, and the System. Respondents must be bona fide providers of the Goods, Services, and System requested and shall have installed similar Mid-Market Demand Response Solution, open for inspection by CPS Energy’s representatives.

CPS Energy may conduct such 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 will perform and furnish the Goods, Services, and System. The Respondent shall furnish, upon request and in a timely manner, all such data and information requested for this purpose.

## RFP OBJECTIVES

Through this RFP, CPS Energy expects to obtain the following:

1. A Mid-Market Demand Response Solution, fully functional that meets the requirements described in this RFP.
2. Respondent to identify one or more new and innovative solutions to cost-effectively enable Demand Response participation among mid-market commercial and industrial facilities in the CPS Energy service territory. CPS Energy is interested in exploring load shed solutions that will support customers in optimizing their energy reduction strategies while still maintaining occupant comfort.
3. The mid-market segment is defined as customers with actual usage of 25 kW to 500 kW. CPS Energy is seeking a vendor to recruit customers, install enabling technology, and verify operation that will enable the mid-market customer to achieve demand reduction during peak times. Any installed equipment and kW reductions will be solely owned by CPS Energy.
4. Respondent to provide outreach plan for recruiting customer; marketing, staffing, enrollment process and solution fulfillment.
5. CPS Energy is seeking to broaden the range of customers capable of participating in a Demand Response program. Up to now, the DR program has been concentrated primarily among larger customers (sized above 500 kW peak demand).
6. CPS Energy is interested in a two-year pilot of technology geared to mid-size, geographically dispersed customers. Areas of opportunity include customers sized from 25 kW to 500 kW. CPS Energy does not currently have a DR offering for this mid-size customer segment.
7. The mid-market segment is comprised of a diverse mix of businesses, including but not limited to churches, movie theaters, restaurants, medical offices, public schools, retail centers and hotel chains. Typical load shed measures at these sites might incorporate control of rooftop HVAC units, lighting, fans, pumps, packaged terminal air conditioners (PTAC’s), and smaller chillers for cooling. CPS Energy does not believe there is a one-size-fits-all solution for this segment and is open to exploring multiple solutions. This customer segment offers unique barriers for both enrollment and load reduction. The mid market customers can have limited resources (including financial, staffing, time, etc). Therefore, the solution must be automated and turnkey. No action should be required for the customer to participate in a demand response event.
8. The purpose of this pilot is to assess the potential of these technologies to reduce load in a near-real time DR event. In addition, CPS Energy will evaluate the economic and technical feasibility of deploying the solution(s) in real-world applications. It offers CPS Energy the opportunity to gauge customer’s receptivity and measure load reduction performance during actual DR deployments. Finally, the pilot will assess the scalability of the solution(s) and its potential future role in the Demand Response portfolio.
9. A Mid-Market Demand Response Solution, that will meet the security, system architecture, project implementation, training, documentation, interface, and capacity/performance requirements, and support business processes as described in this RFP.
10. Total life-cycle cost estimates (refer to Section B.6 for detail).
11. Project staffing resource estimates, internal and external;
12. The integration of best practices within the Mid-Market Demand Response Solution, and an identification of any major process changes required at CPS Energy in order to implement.
13. Save customer money;
14. An understanding of the benefits of the proposed solution.
15. A detailed response to the RFP’s technical questions, as well as an indication of the Respondent’s cost to implement the System and ongoing support maintenance costs, including enhancements, and any related third-party maintenance costs.

* An implementation planning and estimating document for the proposed solution, to be included in the Respondent’s Proposal, which represents the Respondent’s recommendation of proposed hardware, the timely installation of the software, and training on the use and maintenance of the software.
* Information from site visits to Respondent and Respondent’s client(s), if necessary.
* Answers to all questions and submission of documentation and information required by this RFP.

Achieving these objectives will enable CPS Energy to identify and further evaluate likely vendors and select the optimal solution that increases end-users’ productivity, addresses CPS Energy’s functional and business process requirements.

## EXPECTED PROJECT DELIVERABLES

CPS Energy expects to obtain the following Project Deliverables:

* Sufficiency of the responses and ability to meet the Scope of Services and System Requirements
* Prior experience/references
* Price/Overall costs
* Product maintenance and support
* Financial Stability

## SINGLE PRIME CONTRACTOR OR CONSORTIUM

It is CPS Energy's intention to identify one single prime contractor or consortium to provide a solution that addresses all applications included within the scope of the Mid Market Demand Response Solution. Respondents must provide a total integrated solution under the umbrella of a single contract. Should a given Respondent offer another company’s integrated solution for any application, the Respondent must identify that company and the portion of the System for which they are supplying a solution, as well as all other vendors and associated products/ solutions to be supplied under some other arrangement to satisfy the total scope as defined in Section E. CPS Energy will evaluate all Proposals for satisfaction of the requirements for the entire system. CPS Energy reserves the right to reject any and all proposed contractors for System Integration services and to separately contract for System Integration services or have the services performed by the CPS Energy IT department for the implementation of the Mid Market Response Solution.

## RFP ORGANIZATION

This RFP contains five (5) sections that outline the Proposal submission requirements and contain the description and technical requirements of the System to be provided. The organization of the RFP is as follows:

Section A: Invitation for Proposals. This section provides an overview of the project and CPS Energy’s objective.

Section B: Instructions to Respondents. This section outlines the administrative requirements and criteria necessary for qualification that Respondents must follow and submit in their Proposals.

Section C: Proposal Submission Requirements. This section defines the information that the Respondent shall provide to demonstrate its ability to satisfactorily supply the Goods, perform the Services requested, and integrate the System.

* Attachment A: This attachment contains the Respondent Experience and References, that is intended to provide CPS Energy with information about the Respondent.
* Attachment B: This attachment will contain the Commercial Exceptions, taken by the Respondent in accordance with Section C.15, RFP Exceptions.
* Attachment C: This attachment contains a Pricing spreadsheet, which is intended to provide a summary of Respondent’s pricing for various categories such as software, implementation and training, as well as the Respondent’s hourly rate for their personnel to perform the implementation. In addition, the Respondent is required to provide the cost of all software and Services necessary to implement the Mid-Market Demand Response Solution, CPS Energy is interested in receiving a firm fixed fee price as part of this Attachment C.
* Attachment D: This attachment will contain Respondent’s Executive Summary.
* Attachment E: This attachment will contain Respondent’s Project Team, and will include an organizational chart as well as resumes of key members on the team.
* Attachment F: This attachment will contain any Citations issued to Respondent.
* Attachment G: This attachment will contain copies of Respondent’s Financial Statements.
* Attachment H: This attachment contains Respondent’s CPS Energy Business Questionnaire, which classifies the Respondent’s business as local, small or diverse.
* Attachment I: This attachment will contain the Project Management Plan/Implementation Schedule.

Section D: TERMS & CONDITIONS:

Attachment Section D: Information Technology Products and Services Agreement. This section contains CPS Energy’s products and service agreements. Any exception to the requirements or the terms and conditions of this Contract must be clearly acknowledged and inserted in tracked-change (red-lined) format to a softy copy of the CPS Energy Contract in Microsoft Word, and must accompany the proposal. If there are no exceptions, the words “NO EXCEPTIONS” must be stated.

* Exhibit A: Titled “Data Security Addendum”
* Exhibit B: Minimum Insurance Requirements
* Exhibit C: CPS Energy Security Policies
* Exhibit D: IT Products Master Purchase Agreement updated 04/08/2015
* Exhibit E: IT Services Master Services Agreement updated 04/08/2015

Section E: Scope of Services and System Requirements. This section outlines the scope of Services and minimum specifications for functional and technical requirements for the Mid-Market Demand Response Solution.

SECTION B - INSTRUCTIONS TO RESPONDENTS

## GENERAL

Section B describes the administrative rules and procedures that guide the Proposal process and define mandatory requirements. Failure of the Respondents to adhere to the rules and procedures may result in elimination of the Proposal from further consideration in the selection process.

## PROPOSALS

Respondent shall prepare and submit their Proposals in the following methods: (a) one digital copy in flash drive format; (b) three bound copies; and (c) one loose-paper copy.

Proposals shall be:

1. submitted in sealed boxes or packages;
2. endorsed on the outside with:
   1. the Respondent’s name / company name,
   2. the CPS Energy Request for Proposal Number; and
   3. the title of the Project
3. delivered to Ms. Tomasita Swift, Mail Drop #110901, Supply Chain, CPS Energy, 145 Navarro Street, San Antonio, Texas, 78205, **or** P.O. Box 2906, San Antonio, Texas 78299-2906;
4. submitted timely.

## DELIVERY OF PROPOSALS

Proposals may be either mailed or hand-delivered. If the Proposal is sent by mail or commercial express service, the Proposal is to be shipped in one box or package, and the Respondent shall be responsible for delivery of the Proposal to the proper CPS Energy office before the Proposal submission deadline. All Proposals become the property of CPS Energy. The content of all Proposals will be held confidential and sealed until after the submission deadline.

Proposals shall be opened in a manner that avoids disclosure of the contents to competing Respondents and keeps the Proposals secret during negotiations. All Proposals are open for public inspection after the Contract is awarded, but trade secrets and confidential information, identified by Respondent in the Proposal, are not open for public inspection.

Proposal deliveries are accepted from 7:00 a.m. (Central Time) to 5:00 p.m. (Central Time).

## PREPARATION

To expedite and simplify Proposal evaluation and to assure that each Proposal receives the same orderly review, all Proposals shall adhere to the format described in this Section B and SectionC. Proposals shall contain:

1. All the elements of information specified without exception.
2. Sections and pages shall be appropriately numbered and ordered.
3. A Table of Contents listing all sections, figures, exhibits and tables.
4. Labeled index tabs shall separate major sections and appendices.
5. A combination of Microsoft Word and Excel, or Adobe Acrobat should be used for the digital copy.
6. Any and all deviations, variances or exceptions taken to the proposed contract(s) or Contract Documents must be specifically noted. All costs information, exceptions, clarifications, and advantages shall be defined in detail.
7. Quoted rates/fees will be assumed to include all Services requirements that are outlined in Respondent’s Proposal unless otherwise specifically noted.
8. The name, title, address and telephone number of the individual with authority to contractually bind the Respondent.
9. All prices shall be stated in words and figures except where the forms provide for figures only.

Each Respondent shall list in Attachment B, all exceptions or conflicts between its Proposal and the Contract Documents. If the Respondent takes no exception to the Contract Documents, the Respondent shall write “None” on Attachment B. Proposals that do not comply with this requirement will be considered irregular and may be rejected at the discretion of CPS Energy.

The Respondent shall not alter any part of the Contract Documents in any way, except by stating any exceptions in Attachment B (Commercial Exceptions).

The Respondent shall bind, with each Proposal copy submitted, a signed copy of each addendum issued for the Contract Documents during the Proposal period, if any. The Respondent shall assemble all supplementary information required and shall attach such information to the Proposal.

## SIGNATURES

Respondent shall sign each Proposal with Respondent’s usual signature (electronic copy may or may not include signature) and shall give Respondent’s full business address.

Partnerships: Proposals by partnerships shall be signed with the partnership name, followed by the signature and designation of one of the partners or other authorized representative. Partnerships shall designate the state of business formation and the address of the partnership’s principal office. The names of all persons signing should also be typed or printed below the signature.

Corporations: Proposals by a corporation shall be signed in the name of the corporation, followed by the signature and designation of the president, secretary, or other person authorized to offer a Proposal for the corporation. Corporations shall designate the state of incorporation and the address of their principal office. The names of all persons signing should also be typed or printed below the signature.

A Proposal by a person who affixes to his/her signature the word “president”, “secretary”, “agent”, or other designation, without disclosing his/her principal business entity, will be rejected. When requested, satisfactory evidence of the authority of the officer signing on behalf of the corporation shall be furnished.

## PRICE QUOTATIONS

All prices shall be quoted in U.S. dollars. Fixed prices for Goods, Services, and System should be quoted on the pricing forms provided as Attachment C (Pricing Forms and Payment Milestones). Unless Respondents specifically note otherwise, prices quoted will be considered firm. Additional purchases of all material procured within one (1) year from award date of a contract shall be at *or below* the contract unit prices. In case of error in the extension of prices in the Proposal, the unit prices shall govern.

## FIRM PROPOSAL

Each Proposal shall be firm and not subject to price escalation. Proposals shall be considered binding and firm for 120 days from the date of the award of a contract under this RFP.

## TAXES

CPS Energy, a municipally owned electric and gas utility, is a TAX-EXEMPT ORGANIZATION. CPS Energy is exempt from certain sales and use taxes with respect to the purchase price of all materials, supplies, equipment and consumables purchased under a separate contract. Contractor shall not invoice or charge CPS Energy for such taxes and shall be provided with a Sales Tax-Exemption Certificate upon request. Failure by Contractor to request a Sales Tax-Exemption Certificate shall not mean that CPS Energy waives its tax-exempt status. CPS Energy shall not pay any taxes for which it is exempt.

## LOCAL CONDITIONS AND SUFFICIENCY OF DOCUMENTS

It must be understood and agreed that, by the end of the evaluation process, all factors will have been properly investigated and considered in the preparation of the Proposal. There will be no subsequent financial adjustment that is based on the lack of such prior information or its effect on the cost of the Goods, Services and System.

CPS Energy makes no warranty, expressed or implied, with respect to the accuracy or sufficiency of the Contract Documents or any interpretation of any facts disclosed by any preliminary investigations that may have been made by CPS Energy. Claims for additional compensation due to variation between conditions actually encountered in providing the Goods, Services, and System will not be allowed.

## INTERPRETATION OF CONTRACT DOCUMENTS

If any prospective Respondent is in doubt as to the true meaning of any part of the proposed Contract Documents, Respondent may submit to CPS Energy a written request for an interpretation thereof. The person submitting the request will be responsible for its prompt delivery, and all requests must be received by CPS Energy no later than 12:00 pm, (Central Time), July 17th, 2015. Any interpretation of the Contract Documents will be made only by Addendum duly issued, and a copy of such Addendum will be mailed or delivered to each person receiving a RFP. CPS Energy will not be responsible for any other explanations or interpretations of the proposed documents.

It shall be the responsibility of the Respondent to advise CPS Energy of conflicting requirements or omissions of information, which are necessary for a clear understanding of the Goods, Services, and System, before the date set for opening Proposals. Those questions not resolved by Addenda shall be listed in the Respondent’s Proposal, together with statements of the basis upon which the Proposal is made as affected by each question.

**All contact with CPS Energy prior to contract award shall be through Ms. Tomasita Swift , Procurement Analyst, Supply Chain, who may be reached at (210) 353-4366 or via e-mail at** [**ttswift@CPSEnergy.com**](mailto:ttswift@CPSEnergy.com)**.**

## ACCEPTANCE AND REJECTION OF PROPOSALS

CPS Energy may award a contract to a responsible Respondent after analysis and evaluation of the Proposals. CPS Energy reserves not only the right to reject any and all Proposals and to waive minor formalities and irregularities, but also the right to evaluate the Proposals to determine which, in CPS Energy’s judgment, represents the **best value** for the Goods, Services, System requested. CPS Energy reserves the right to accept any Base Proposal or Alternative Proposal other than the apparent lowest cost Proposal, if, in CPS Energy’s judgment, the Proposal provides other benefits to CPS Energy which CPS Energy deems to be of sufficient benefit to award the Contract to other than the apparent Respondent with the lowest-cost Proposal. It is agreed that the Contract between CPS Energy and the successful Respondent shall not come into existence until the actual signing of the Contract.

## OWNERSHIP OF DOCUMENTS

Title to all Contract Documents is with CPS Energy. All prospective Respondents and the successful Respondent awarded a contract(s) agree that this material will not be used in any manner other than for the preparation of Proposals and for the Goods, Services and System covered by the Contract Documents. Documents provided to other firms for Proposals on subcontracts will be subject to the same provisions.

## EVALUATION AND SELECTION CRITERIA

The Proposals will be evaluated economically and technically using the following evaluation criteria:

* The ability of the Proposal to meet CPS Energy’s requirements;
* Compliance with requirements, including, but not limited to: technical, functional, implementation, maintenance & support, and security;
* The number of successful Mid-Market Demand Response Solutions Utility deployments that are measured and verified.
* Deployment strategy;
* The overall price;
* Robustness of proposed support; and
* Economic Development (small, diverse and local businesses);

The Respondent shall be prepared to submit at the request of CPS Energy adequate information or conduct system demonstration to substantiate that the proposed Mid-Market Demand Response Solution meets the intent of the technical requirements.

## ALTERNATIVE PROPOSALS

Respondent is required to provide a Proposal that satisfies all of the essential application requirements for the Mid Market Demand Response Solution. CPS Energy shall select the Proposal that meets requirements of the RFP and represents the **best value** to CPS Energy. The information contained within the RFP represents the material data for the Base Proposal, and Respondent shall use this information to formulate all specifications and pricing for the offered Base Proposal. Any changes or exceptions to the Base Proposal should be submitted inserted in tracked-change (red-lined) format to a soft copy of the CPS Energy Contract,and must accompany the Proposal, as Attachment B. In order for an Alternative Proposal or Exception to be considered, Respondent must first submit its Proposal for the Base Proposal RFP. Respondent’s Base Proposal must be considered responsive and Respondent must be considered qualified before any Alternative Proposal can be considered.

It is understood and agreed that CPS Energy reserves the right, in its sole discretion, to reject any and all Proposals, including Alternative Proposals, or to make the selection from an Alternative Proposal that represents the best value to CPS Energy. Respondent shall provide a complete description of the proposed Alternative Proposal and shall state the amount that may be added or deducted from the Base Proposal amount if CPS Energy decides to accept the Alternate.

## Contract Negotiations

Subsequent to CPS Energy making its Contractor selection, it is contemplated that there will be a period of negotiations to finalize the contract(s) between the two parties.

Once the selected Respondent is notified of its position as the most likely party for award of the contract. Respondent shall assemble its proposed project team to include its technical and commercial specialists and legal support for a multi-day meeting to be conducted at CPS Energy’s headquarters in San Antonio, TX. The objective of this meeting is to further clarify the Respondent’s Proposal and substantially complete the negotiation of the terms of any contract(s). The exact composition of the respective teams and timing of these meetings will be agreed upon in advance by both the Respondent and CPS Energy. Respondent is advised that it should bring only those individuals who have the ability to make decisions on behalf of Respondent.

# SECTION C - proposal SUBMISSION REQUIREMENTS

Each Respondent shall submit with its Proposal information for CPS Energy's use in evaluating the Respondent's Proposal and its ability to satisfactorily (i) supply the Goods, (ii) perform the Services, and (iii) integrate the requested Mid-Market Demand Response Solution. Proposals not meeting the minimum qualifications are subject to rejection.

## NATURE OF PARTIES

If the Respondent’s Proposal includes a joint venture, partnership or consortium with other vendor applications or with Subcontractors, information must be provided for each proposed participating member, such as:

1. company name, business address and telephone number;
2. year established (include former firm names, year established, and explanation of purpose of name change, if applicable);
3. type of ownership and parent company, if any;
4. description of the financial stability of each participating company and submittal of financial statements (in particular, audited financial statements) are preferred;
5. Respondent’s contact name, business address, and phone number, if different than first item above;
6. resumes of key management resources and related references; and
7. all other client projects, if applicable, where a participating member was a contributing and accountable party.

If multiple participating members are proposed (e.g., other vendors, Subcontractors or System integrators), a prime contractor must be identified who will assume overall implementation responsibility and associated risk.

## EXECUTIVE SUMMARY

Respondent shall complete Attachment D (Executive Summary). Respondent shall prepare and include a brief executive summary of the major facts or features of the Proposal, including any conclusions, assumptions, and recommendations the Respondent desires to make. The executive summary should be designed specifically for review by a non‑technical audience and senior management, and shall be provided as Attachment D (Executive Summary).

## EXPERIENCE AND REFERENCES

The Respondent shall submit a completed

Attachment A (Experience 2-5 years and 3 each References) with the Proposal.

## RESOURCES

Respondent must submit information to demonstrate the qualifications and resources the company currently has available to integrate, furnish and provide the Goods, Services and System contemplated for the Mid-Market Demand Response Solution and to provide long-term support.

## PROJECT TEAM

Respondent shall complete Attachment E (Project Team). Respondent shall provide resumes and qualifications of the key project team anticipated to be assigned to the CPS Energy project. An organizational chart of the project team shall be provided, including the identification of integration management, technical, and testing personnel. This required information shall be provided as Attachment E (Project Team). While CPS Energy will supply the project manager, Respondent is expected to supply a project manager or engagement lead for the consulting staff. The lead should have at least five (5) years of experience with Mid-Market Demand Response Solution deliveries, including acting as a lead on at least two Mid-Market Demand Response Solution engagements. CPS Energy reserves the right to approve key project team members and such approval will not be unreasonably withheld.

## PROJECT MANAGEMENT PLAN

Respondent shall complete Attachment I (Project Management Plan). The Respondent shall describe the project management plan and define the methodology and provide supporting documentation to describe the project management system that will be used to implement the proposed Mid-Market Demand Response Solution for CPS Energy.

## PROJECT IMPLEMENTATION SCHEDULE

Respondent shall complete Attachment I. The Respondent shall provide a detailed discussion and provide supporting documentation of the structured methodology that would be used in managing the implementation of a project of the size and scope of the CPS Energy Mid-Market Demand Response Solution project. Tentative dates outlining the Project Schedule are included in the Payment Attachment C (Pricing). The Respondent’s project methodology shall be included in Attachment I), and it shall include a detailed discussion of the following topics:

1. Provide an overview of the general approach and work plan that would be utilized in implementing the CPS Energy Mid-Market Demand Response Solution and the average time for implementation, including implementation workday estimates, both for CPS Energy and the Respondent as well as staffing recommendations for CPS Energy.
2. Staffing requirements recommended by Respondent to be necessary for CPS Energy to perform in-house maintenance of the Mid Market Demand Response Solution.
3. Facilities requirements to support on-site personnel, including office space, office equipment, computing equipment, networking facilities, etc.
4. Requirements identified by Respondent as CPS Energy responsibilities.
5. Proposed dates that deviate from those reflected in the Pricing Attachment C (Pricing).

The Respondent may provide any additional information that will assist CPS Energy in understanding the Respondent’s approach to the provision of comprehensive implementation services.

## RFP APPLICATION SPECIFICATIONS

This RFP process is designed to identify which software solution meets CPS Energy’s needs with regards to functionality and integration. Compliance with CPS Energy’s Minimum Requirements is expected to come from within the core product offerings, with little or no specific customization. Those Minimum Requirements are listed in Section E (Scope of Services and System Requirements).

The Respondent is requested to carefully complete the requirements spreadsheet identified in Section E (Scope of Services and System Requirements), describing the proposed system’s compliance with CPS Energy’s requirements contained in such spreadsheets. The Respondent’s Proposal must clearly state whether each Requirement provided in those spreadsheets is met within the current production release of the proposed software, if it is part of a planned upgrade to the software, or if the requirement will require customization. In those instances where the Minimum Requirement is met, Respondent may choose to supply an explanation and documentation supporting how the requirement is satisfied. The documentation should clearly describe any situations where an exit point, manual intervention/action, software modification, Application Program Interface (API), third-party software, etc. are required.

The extent to which the proposed applications are implemented or supported by the proposed software may require a detailed discussion by the Respondent. The Respondent should identify third-party packages that would be integrated with the Respondent’s proposed Mid Market Demand Response Solution and describe the level of customization that may be required to support the intended Applications. Where detailed explanations are requested, simple statements of compliance without an explanation will not be considered responsive.

The Respondent may include supporting literature, as appropriate, describing the details of Mid-Market Demand Response Solution capabilities, commands and utilities. If this documentation is intended to supplant the inclusion of a detailed explanation, specific references to the pertinent sections of the supporting literature must be stated (page and section numbers, etc.). Failure to answer a specific item on how the proposed Mid-Market Demand Response Solution would or could achieve a specifically desired result will be taken as a non-compliant response.

Respondent shall provide detailed specifications for hardware, operating system software, and other software to support the applications that is capable of supporting the requirements of CPS Energy.

## COMPENSATION SCHEDULE OF VALUES/RATES/LICENSE FEES

The Respondent shall provide Attachment C (Pricing).

## VENDOR AFTER-SALE SUPPORT

Respondent shall provide a quotation for maintenance services to cover all software within the Mid-Market Demand Response Solution under a single contract for a period of seven (7) years following final written acceptance and expiration of vendor’s warranty for software consistent with the requirements documented. Respondent shall also provide information and pricing regarding all maintenance options and provide certification that software releases are included in the ongoing maintenance program. If such service is to be provided pursuant to a service contract, a copy of the proposed form of agreement that clearly outlines the nature, cost, delivery, payment plan for, and term of the services to be provided shall be furnished with the Proposal, entitled “*Maintenance Program*.” Respondent must provide a detailed description of availability, location and capabilities of service facilities with a list of customer references served out of those facilities.

Respondent shall provide all information on current support policies for past releases and how much technical assistance is provided in the Respondent’s standard maintenance program. Respondent shall also provide a detailed description of the technical support commitment, including the support response time that is guaranteed, whether a toll-free service is provided, user group database and bulletin availability, on-site consulting services, the role of users in product development, remote diagnosis support and any local resources for on-site support.

## TOTAL COST OF OWNERSHIP

CPS Energy is looking to minimize their cost of ownership. Support services such as Patch Management and technical support are important evaluation criteria for this Project. CPS Energy requires that the Respondent provide a chart showing estimated Total Cost of Ownership each year for a 10-year period (with a Net Present Value – NPV – calculated for the entire 10 years).

## RECOMMENDED USER TRAINING REQUIREMENTS AND MANUALS

The Proposal must specify the amount of training to be provided to meet the requirements listed in Section E and Respondent shall provide a course syllabus for each course. Attachment C (Pricing) includes a sheet where the proposed courses, number of recommended attendees, location of class, and pricing information should be documented. Respondent will be required to provide user manuals for its software application; however, if the manuals are available in other than hard-copy form and are available through on-line help facilities, Respondent shall provide a description of this type service in terms of documentation such as flow charts, narrative, database file layouts, and data models.

## WARRANTIES

The minimum general warranty and guarantees required are found or outlined in Section 7 of the IT Master Products Agreement, and Section 8 of the IT Master Services Agreement; however, Respondent shall explain all standard warranty policies. Respondent shall provide any extended warranties or guarantees available for any software or Mid-Market Demand Response Solution, the pricing for these features, and any limitations or exclusions.

## SUBCONTRACTORS

CPS Energy requires the Respondent to act as the primary contractor on this project. Utilizing contractors as staff on the project under the Respondent’s direction is acceptable, but the project may not be outsourced as a subcontract to another firm. Respondent shall identify all third party firms Respondent intends to utilize in providing the Goods, Services and System.

## RFP EXCEPTIONS

Respondent shall identify all exceptions to the requirements by so indicating in the requirements spreadsheet (Section E) and all commercial exceptions to the terms and conditions of this Contract must be clearly acknowledged and inserted in tracked-change (red-lined) format to a soft copy of the CPS Energy Contract in Attachment B entitled “Commercial Exceptions”. If there are no exceptions, the words, “NO EXCEPTIONS,” must be stated.

## CLARIFICATIONS

Respondent shall list any and all clarifications taken to the RFP requirements in Attachment Section E and if it is a commercial clarification list the clarification in Attachment B (Commercial Exceptions).

## CITATIONS

Respondent shall complete Attachment F (Citations). Respondent must submit as Attachment F (Citations), a list of any citations, notices of violation, legal proceedings, or project terminations that any Federal, State, or local regulatory agency or department, corporation or individual has issued in the past three (3) years to the Respondent, or any employee of the Respondent, while that employee was performing work for the Respondent. If there are no violations, Respondent shall provide a statement of such. In the event there are citations, notices of violation, legal proceedings, or any project terminations filed against the Respondent, CPS Energy reserves the right to reject the Respondent’s proposal.

## FINANCIAL STABILITY

Respondent shall complete Attachment G (Financial Statements). The Respondent shall state whether it, or in the case of a consortium, whether each party has been profitable for each of the three prior fiscal years, and whether the current year-to-date is profitable. A copy of the firm’s last three fiscal year’s financial statements (audited preferred), and the most recent quarter’s financial statements. Financial statements should include the balance sheet, income statement, cash flow statement, statement of shareholder equity, and comprehensive income, and all related notes. Company and industry information will be evaluated using financial information that may be both provided and/or obtained from Dun & Bradstreet and similar financial information providers. The Respondent shall submit this information as Attachment G (Financial Statements).

## ENHANCEMENT

Respondent shall provide information regarding the procedure for releasing new versions of the application software, how requests are handled, and the method for establishing priorities for future enhancements.

## ECONOMIC DEVELOPMENT

Respondent is required to submit a completed Attachment H (Business Questionnaire) **only** if their business classification is expired or not listed within the CPS Energy’s supplier database.

If Respondent has provided goods or performed services for CPS Energy in the two (2) years preceding the Proposal due date and completed a Business Questionnaire (Attachment H) at that time, Respondent shall access the [Supplier Classification List](http://www.cpsenergy.com/About_CPS_Energy/Vendors_Suppliers/Contract_Services/Economic_Development/index.asp) to determine whether Respondent’s business classification is current or needs updating.  Business Questionnaires shall only be considered valid for two (2) years from classification date and must be updated with a new Business Questionnaire beyond such 2 year period. The Business Questionnaire assists CPS Energy, who is a federal contractor for reporting its contracting activity to the federal government, in identifying an Respondent’s business, if applicable, as 1) Local, 2) Small, and/or 3) Diverse in accordance with the definitions/descriptions below:

**Local** – Any business located in the San Antonio eight-county metropolitan area as defined by the Office of Management and Budget (OMB). The metropolitan area is colloquially referred to as “Greater San Antonio” and is situated in South-Central Texas. The counties included are Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson counties.

**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 is located at: <http://www.sba.gov/size/indextableofsize.html>.

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

## OTHER DOCUMENTS

Respondent shall provide any other documents as required in this Proposal document.

**ATTACHMENT A**

**EXPERENCE AND REFERENCES**

**(To be provided by Respondent)**

a) A description of the Respondent’s operational history which reflects that the Respondent has been actively engaged for a minimum of two (2) consecutive years as a Contractor providing Mid-Market Demand Services solutions as described in Section C in this Contract.

b) Provide a reference for three (3) recently completed projects which shall include the company name, address, contact person’s name, e-mail address, and phone number. A brief description of the Mid-Market Demand Services Solution performed shall accompany the reference.

**ATTACHMENT B**

**COMMERCIAL EXCEPTIONS**

**(To be provided by Respondent)**

**ATTACHMENT C**

**PRICING**

**(To be provided by Respondent)**

**ATTACHMENT D**

**EXECUTIVE SUMMARY**

**(To be provided by Respondent)**

**ATTACHMENT E**

**PROJECT TEAM**

**(To be provided by Respondent)**

**ATTACHMENT F**

**CITATIONS**

**(To be provided by Respondent)**

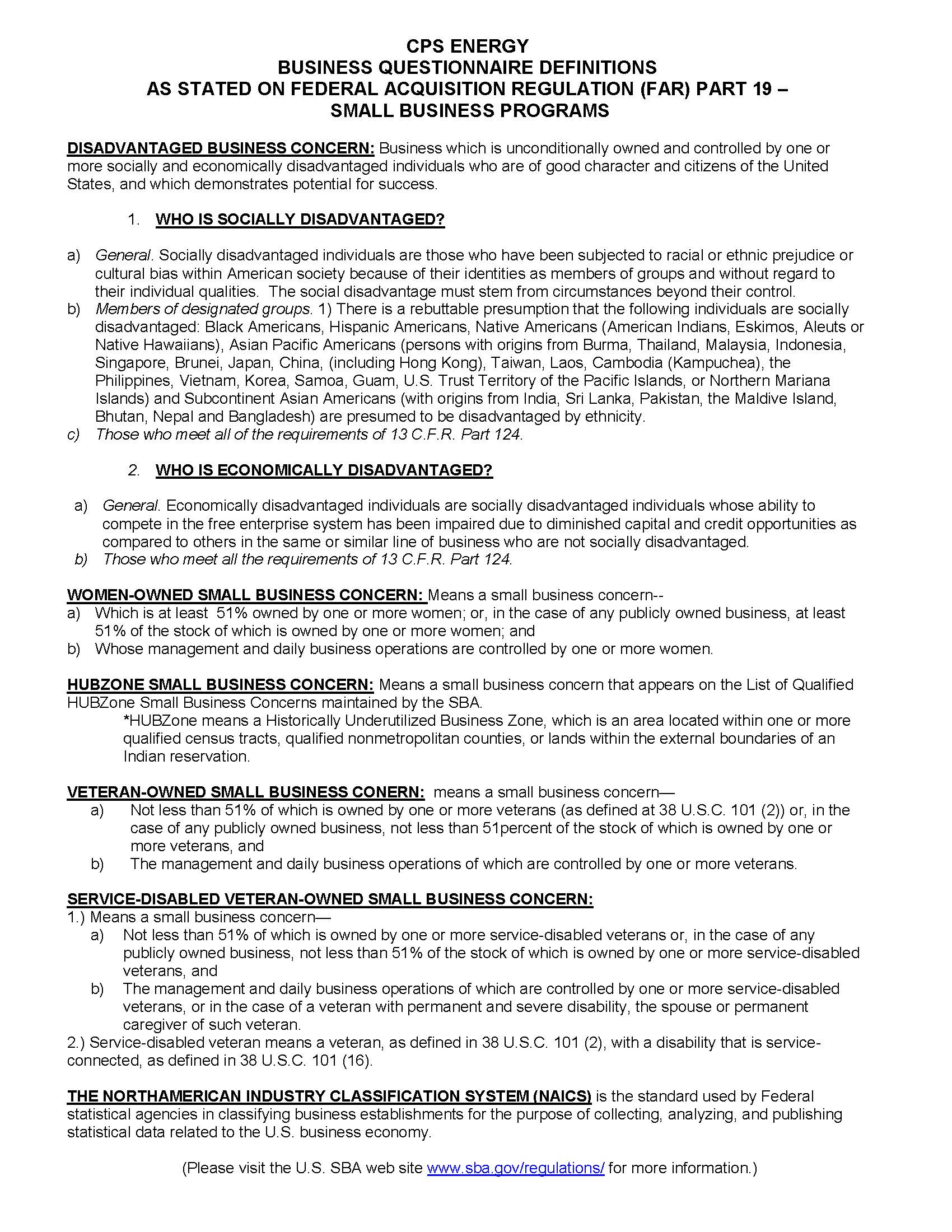
**ATTACHMENT G**

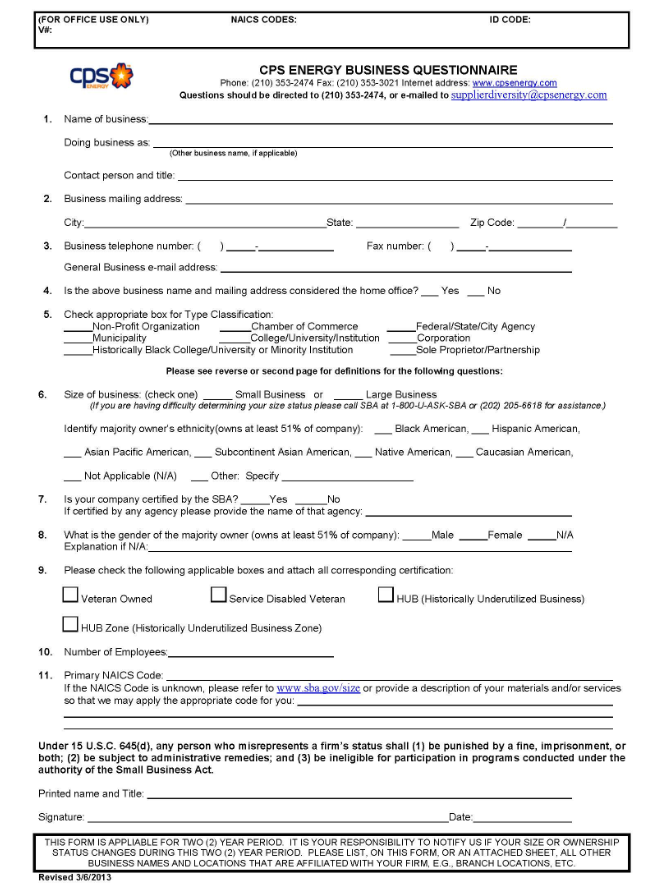
**FINANCIAL STATEMENTS**

**(To be provided by Respondent)**

**ATTACHMENT H**

**BUSINESS QUESTIONNAIRE**





**ATTACHMENT I**

**PROJECT MANAGEMENT PLAN**

**(To be provided by Respondent)**

# SECTION d – TERMS AND CONDITIONS

* Exhibit A: Titled “Data Security Addendum”
* Exhibit B: Minimum Insurance Requirements
* Exhibit C: CPS Energy Security Policies
* Exhibit D: IT Products Master Purchase Agreement updated 04/08/2015
* Exhibit E: IT Services Master Services Agreement updated 04/08/2015

(See Attachments)

# SECTION E-Scope of Services and System Requirements

**Scope of Services and System Requirements**

The scope of this pilot is to install up to 1,000 devices in customer facilities for a two- year period.

All proposals shall conform to the following minimum requirements:

* Provider shall provide a platform for all back-office functions that CPS Energy needs to deliver a demand response curtailment event. The platform will be utilized by CPS Energy to activate and monitor a demand response event. The high-level functions of the platform should include event management, notification and response, performance monitoring, and settlement reporting.
* The proposal shall incorporate any hardware components (including installation) at customer facilities such as a communications gateway, equipment controllers, metering devices, and/or a customer dashboard.
* The proposal shall incorporate a site assessment to assist in targeting load reduction strategies as appropriate to the customer’s on-site equipment and to ensure compliance with both the customer’s business needs and demand response program requirements.
* At each customer facility, Provider shall set-up, configure and verify the receipt of the Demand Response event signal, event activation upon receipt of demand response event signal and customer dashboard operation (if any). In addition, Provider shall train the customer on operation of the installed equipment and dashboard.
* Provider shall provide an overview of any customer-facing applications. Please include details on information provided to the customer and opportunities for the customer to customize their equipment.
* Provider shall provide an explanation of the type of equipment that the solution is designed to work with: tonnage, equipment and specify the limitation of the equipment. The proposal shall also detail the installation process, specifically: equipment needed to complete installation, amount of time needed to install a facility, and any requirements from end customer.
* To ensure the interoperability of the system with diverse energy management systems, it must adhere to Open ADR standards.
* The provider will be responsible for installing, maintaining, and warranting any installed equipment. The provider must offer customer support, trouble shooting and service after installation. Please provide details regarding customer support services and call center operation.
* Provider shall be responsible for identifying target customers, prospecting, marketing and recruitment. Provider will be expected to attend customer meetings, as required, between CPS Energy and the customer to promote the program and explain the features and benefits. The proposal therefore should include a detailed outreach plan for enrolling customers.
* CPS Energy will be responsible for program outline, guidelines and offerings...
* Any hosted services must adhere to CPS Energy Internet Security requirements. In addition, the system must conform to Cyber Security Standards. The system should have the ability to detect, prevent and communicate system security threats. (Exhibit “A” Titled Data Security Addendum, Exhibit “C and Section D Terms and conditions CPS Energy Security Policies and IT Products Master and Services Agreements.
* Proposal should include expected kW savings per device during coincidental and non- coincidental peaks, with an overall calculation for expected kW savings from the project.
* Provide pricing for pilots of 500 and 1,000 devices (Proposed Solution) for a two-year period. (Attachment C)
* Please provide details and references from any projects undertaken with utilities of similar size as CPS Energy. (Attachment A Experience & References)

1. Describe how a system operator who dispatches an event can monitor and validate the event execution as a whole or site-by-site.
2. Describe the pre- during-, and post-event measurement on each end-use device to verify operation and desired impacts.

* Providers are encouraged to discuss the scalability of their platform to accommodate future expansion to additional customers.
* Previous experience deploying a retail/trade ally outreach strategy is a plus.
* Case studies and reports demonstrating third-party measurement and validation of kW savings claims. In addition, any energy efficiency gain from operation of the equipment is a plus.