



DIVISIONS  
ENERGY  
GAS AND OIL  
GEOLOGY AND MINERAL RESOURCES  
MINED LAND RECLAMATION  
MINERAL MINING  
MINES  
ADMINISTRATION

# COMMONWEALTH OF VIRGINIA

## *Department of Mines, Minerals and Energy*

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## **Request for Proposals To Develop a Strategic Sustainability Plan for Regional Energy Alliances**

### **Virginia Department of Mines, Minerals and Energy (DMME)**

**Specific Authority:** These funds are authorized by a U. S. Department of Energy Grant, Funding Opportunity Number: EE-0000246, CFDA Number: 81.041, State Energy Program (SEP).

**Request Issued By:** Virginia Department of Mines, Minerals and Energy (DMME)

**Request Issued:** December 29, 2011

**Proposal Due:** Proposals shall be received at the address identified below no later than 2:00 p.m. on January 31, 2012. Any proposals received after 2:00 p.m. on January 31, 2012 will be rejected and returned to the submitter in their entirety and all electronic copies received and associated with late proposals will be deleted without being read. DMME reserves the right to reject any and all proposals, at any time, whenever such is in the best interest of the Commonwealth of Virginia.

**Proposal Process:** The Offeror must submit **1 original paper copy** of the proposal with original signatures **and 1 complete electronic copy** of the entire proposal and attachments, to be submitted via email.

Proposals should be mailed or hand-delivered to:

**Ron Hachey, Energy Projects Coordinator  
Virginia Department of Mines, Minerals and Energy  
Washington Building/8<sup>TH</sup> Floor  
1100 Bank Street  
Richmond, VA 23219**

Electronic copies can be emailed to:

[ron.hachey@dmme.virginia.gov](mailto:ron.hachey@dmme.virginia.gov)

**General Questions:**

Please direct inquiries to:

**Ron Hachey, Energy Projects Coordinator**  
**VA Department of Mines, Minerals and Energy**  
**Washington Building/8<sup>th</sup> Floor**  
**1100 Bank Street**  
**Richmond, VA 23219**  
**804-692-3239**  
[ron.hachey@dmme.virginia.gov](mailto:ron.hachey@dmme.virginia.gov)

**1. Request For Proposals (RFP)**

**1.1 Strategic Plan for Virginia's Regional Energy Alliances**

**1.1.1 Goal:**

The successful proposer will work with the DMME staff and the Regional Energy Alliance (REAs) Programs operating in up to 5 energy efficiency programs throughout the state to set forth a long term sustainability plan for each of the REAs as federal financial grant support ends. The goal of the sustainability plan will be to assess the long term funding and organizational structure needed to continue each Regional Energy Alliance Programs in Virginia.

REAs are incorporated, non-profit organizations that have been formed to undertake building retrofit projects. The REAs work with homeowners, as well as some commercial building owners, to design and implement energy efficiency projects that include conducting building energy audits, developing a customized energy reduction plan for each home/business, lining up energy retrofit certified contractors and overseeing QA/QC services to ensure that projected energy savings are met.

**1.1.2 Elements**

The Strategic Plan shall include the following **elements**:

1. An examination of factors external to the REAs such as political and regulatory trends, technology innovations, markets, competitors, strategic partners, and other key stakeholders to the organization's success.
2. An investigation into the factors internal to the REAs such as an analysis of its organizational structure with a focus on the mission, objectives, and staffing.
3. An analysis of a proposed marketing system, including planning and control systems, the role of marketing, and resource allocation decisions.
4. An analysis of the REA activities including the organization's use of its Board members, funders, and clients; a view of community energy efficiency services, communications, pricing, funding and the benefits of the REAs establishing a statewide collaborative association/organization.

5. Assembling a strategic operational plan for each REA with pro forma budgets, staffing, services, possible funders, strategic partners, objectives, and steps for the next 3 to 5 years.

### **1.1.3 Issues**

Here are some key **issues** while developing some of the elements noted above:

#### **1.1.3-1 External Factors:**

- The priorities and funding of the DMME and energy regulatory authorities,
- The commitments and capabilities of local jurisdictions to remain engaged in operating energy efficiency and renewable energy programs,
- The emergence and trajectory of energy efficiency advocacy organizations,
- The positioning and success of energy efficiency consulting firms specializing in program design, marketing strategy, workforce development, and program evaluation,
- The activity in the state for competitive markets in retail electricity sales,
- Technology advances and dramatic price reductions in lighting, smart metering, system controls and renewable energy resources that may significantly affect market penetration, and
- The development of a statewide energy efficiency organization.

#### **1.1.3-2 Analysis of REA Services:**

- What are major services and end-use sectors should the REAs pursue?
- For each service, how does it fit with emerging trends outside the organization?
- Which services are most cost-effective to pursue?
- For each service, what are the major challenges, problems in providing it well?
- How do we work with one another in a statewide organization?
- To what extent can we utilize volunteers and interns to maximum advantage?
- Should we offer membership services in a statewide organization? If so - to whom, for what, and what should we charge?
- What are emerging trends in foundation giving and are we keeping up with these trends?
- What is an appropriate Board mix for the markets we serve?

#### **1.1.3-3 Formulating an Organizational Strategy:**

- Taking into account the major findings above, map out a plan that considers what mix of current/new products and current/new markets we want to serve,
- Develop a REA specific organizational structure for the next 3 to 5 years,
- Prioritize the set of key strategic partners with which to affiliate among each other including utilities, lenders, state and local governments, advocacy and policy organizations, consulting firms, private vendors, direct energy efficiency providers, and others,
- Set specific goals for a product-market growth matrix for each REA,
- Evaluate and address each local organization's weaknesses for products and markets it seeks,

- Draft a marketing plan featuring pro forma budgets and staffing levels for the next 3-5 years, and a set of activity milestones to achieve the plan.

#### 1.1.4 Tasks

Some of the **tasks** that are anticipated to be undertaken during this project include the following:

- 1.1.4-1 Identify the community stakeholders to be interviewed in each region,
- 1.1.4-2 Analysis gaps in marketing, programs, financing, etc.,
- 1.1.4-3 Analysis gaps in internal operations,
- 1.1.4-4 Analysis gaps with Board members, funders, etc.,
- 1.1.4-5 Analysis Strengths/Weaknesses/Opportunities/Threats (SWOT) with staff and stakeholders for each REA,
- 1.1.4-6 Develop priority goals and objectives for each program,
- 1.1.4-7 Conduct modified SWOT with external stakeholders via phone/email,
- 1.1.4-8 Assemble the strategic summary of services, funding and partners,
- 1.1.4-9 Propose governance objectives for the 3 to 5 years,
- 1.1.4.10 Assemble related operational plans (2-3 years): pro forma budgets, staffing, milestones, marketing, etc.,
- 1.1.4.11 Submit draft of Strategic Plan for each REA for review,
- 1.1.4.12 Revise and edit as needed, and
- 1.1.4.13 Present final plans to the REAs and the DMME.

## 2. RFP Process

### 2.1 RFP Schedule

Ron Hachey, Energy Projects Coordinator at the DMME, is managing this project. Key steps and the schedule for the RFP process are as follows:

RFP issued by the DMME	December 29, 2011
Proposals due	January 31, 2012
Proposals reviewed	February 1-15, 2012
Vendor selected by the DMME for negotiations	February 17, 2012
Target date to finalize contract with selected vendor	February 29, 2012

These dates are subject to change by the DMME. The DMME will notify all vendors that have shown an interest in submitting a proposal of any proposed changes to this RFP.

### 2.2 Question and Answer Procedures and Addenda

Questions and answers will generally be handled in writing and distributed to the responders. Any written questions shall be submitted to the DMME at the address specified for the receipt of proposals or to the following email: ron.hachey@dmme.virginia.gov. Faxed questions or inquiries will be accepted. The DMME may modify this RFP prior to the date fixed for submission of proposals by issuance of an addendum to all proposers. Addenda will be numbered consecutively, the first being A-1.

## **2.3 Due Date**

Proposals will be due no later than 2:00 p.m. Eastern Time on January 31, 2012. Proposals shall be addressed and delivered to:

**Ron Hachey, Energy Projects Coordinator  
Virginia Department of Mines, Minerals and Energy  
Washington Building/ 8<sup>TH</sup> Floor  
1100 Bank Street  
Richmond, VA 23219**

The DMME is not responsible for lost or misdirected proposals. Verbal communications with the DMME staff are encouraged, but shall not be binding on the DMME and shall in no way modify this RFP or excuse proposers from the requirements set forth in the RFP. Such modifications shall only be made in writing through RFP addenda as indicated above.

The DMME's selection of a vendor to this RFP process does not mean that the DMME accepts all aspects of the proposal, modifications to which may be requested and agreed to during contract negotiations. Costs for preparing proposals are entirely the responsibility of each proposer and shall not be chargeable to the DMME. If the DMME is unable to reach an agreement with the vendor originally selected, it will select the next highest-ranking respondent from the original list, without the need to go out for another RFP.

## **2.4 Form of Proposals**

### **2.4.1 Instructions and Proposal Outline**

These instructions prescribe the formal and general content for proposals.

1. Cover letter,
2. Proposal Outline, and
3. Cost.

### **2.4.2 Cover Letter**

The cover letter transmitting the proposal must be executed by a responsible authorized official of the vendor.

### **2.4.3 Proposal Outline**

The proposal narrative shall address the elements, issues and tasks listed above and shall be less than 10 pages in length. This is a competitive process. Proposers are asked to be creative in their proposals, addressing and suggesting trade-offs, submitting multiple options where reasonable—all aimed at achieving the fundamental goal as stated at the beginning of the RFP and the DMME.

### **2.4.4 Evaluation**

Proposals will be reviewed by the DMME staff for completeness and scored and ranked by the DMME staff and their Program Partners. The DMME staff will evaluate proposals qualitatively according to the following criteria:

#### 2.4.4-1 Responsiveness to the Issues/Tasks of the RFP - worth up to 50 weighted points

Does the proposer present a sound approach for accomplishing the objectives of this proposal? Is there a sound rationale or justification for the proposed approach(es)? Has the proposer demonstrated a clear understanding of the project goals and objectives? Does the proposer appear to have the flexibility to accommodate potentially short notification times and tight deadlines? Has the proposer demonstrated a thorough understanding of the programs to be evaluated? Is there clear evidence that the proposer possesses the ability to evaluate these programs? Is the Statement of Work for each task thorough, specific, and consistent with the stated objectives?

#### 2.4.4-2 Relevant Experience and Qualifications - worth up to 20 weighted points

Are key personnel's education and experience relevant to project needs? Is the project staff's overall capability appropriate? Is the proposing team familiar with residential retrofit evaluations and experienced in conducting similar work? What is the quality of the project staff's performance on past projects or their achievements related to the proposed work?

#### 2.4.4-3 Comprehensiveness of Approach and Management Plan - worth up to 20 weighted points

Does the proposer demonstrate the ability to complete all aspects of the project? Has the proposer demonstrated the ability to institute appropriate data collection and field monitoring procedures? Are appropriate management and coordination strategies articulated? Are sufficient resources being devoted to the project and each individual task? Is the project organization, including the staffing plan and schedule, clear and well defined? Is the staffing plan sufficient to provide timely deliverables?

#### 2.4.4-4 Cost - worth up to 5 weighted points

How cost-effective is the proposal? Are hourly rates, overhead rates, and total hours reasonable and appropriate for completing each task? Is the proposer's cost allocation appropriate when compared to the cost allocation of other comparable proposals and their projected results?

#### 2.4.4-5 Other - worth up to 5 weighted points

Is the proposal well-organized, well-written and complete?