

Federal Buildings Initiative Qualification Requirements

Important Note:

These qualification requirements are for companies who wish to be qualified under the Federal Buildings Initiative (FBI) **and** who wish to bid on a project for which a Request for Proposal has already been issued or is about to be issued.

Natural Resources Canada (NRCan) will make every effort to assess your Request for Qualification in a timely fashion so that, if qualified, your company can be added to the Qualified Bidders List (QBL) before the closing date of the Request for Proposal that a company wishes to pursue. To assist us in this task, companies ***MUST*** comply with the following:

- ensure that the Request for Qualification is complete, as per Section 5 of this document. If materials are missing or incomplete, the assessment of the company will be delayed.
- if a company is qualified, it must return as soon as possible the Ally Fact Sheet which will come with the confirmation email. The NRCan confirmation email will confirm the inclusion of the company on the QBL.

In order to provide NRCan with sufficient time to assess the Request for Qualification prior to the closing date of a Request for Proposal that a company wishes to pursue, a complete Request for Qualification ***must be received at the address provided in Section 6.1 no later than twenty (20) working days before the closing date of the Request for Proposal.***

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1.0 Definitions

Client: Federal departments, agencies and Crown corporations.

Energy Management Services: include the implementation and the management of energy efficiency improvements.

Energy Performance Contract (EPC): an agreement by which an energy service company (ESCO) provides a comprehensive package of Energy Services to a client and guarantees the energy savings. It is a customized, multi-year agreement, whereby the client pays for the ESCO's Energy Services out of the energy savings generated by the improvements. The EPC provides a means of implementing energy efficiency improvements and reducing operating costs while minimizing the initial financial outlay and risks incurred by the Client. The ESCO bears the entire cost of implementing energy efficiency improvements. The Client will pay its new lower energy bill directly to the utility and the money saved from the energy efficiency improvements will be paid to the ESCO for a fixed period of years or until the ESCO's costs have been fully repaid.

Energy Service Company (ESCO): a private sector party that provides a comprehensive package of professional and technical services, which includes, but is not limited to: identification of energy saving measures; analysis and design of energy management projects; commissioning of projects; energy monitoring and operator training. The ESCO guarantees the energy savings resulting from the energy efficiency improvements.

Energy Services: include energy supply, design and implementation of energy efficiency improvements, energy management, and energy monitoring and training.

Energy Supply: the supply of electricity, gas, oil, water, steam, coal or other fuel that provides energy to the client.

Improvements: energy efficiency improvements that may consist of upgrades in the equipment, materials, machinery and systems to be installed in the facilities to result in energy savings to the Client.

Period of Qualification: the three-year period that a qualified ESCO remains on the QBL. The three-year period begins from the time indicated in the Qualification Notice.

Qualification Notice: An email notice that confirms the qualification of an ESCO on the QBL.

Utility: the supplier of electricity, gas, oil, water, steam, coal or other fuel that provides energy to the Client.

2.0 Federal Buildings Initiative (FBI) Program Description

2.1 The FBI is an NRCan program that offers services to assist federal custodian departments and agencies improve the energy efficiency of their facilities. These energy efficiency improvements are keys for departments to achieve progress toward their Federal Sustainable Development Strategy (FSDS) targets. The FSDS mandates departments to make their operations, including energy use, more environmentally sustainable.

2.2 The FBI helps departments to use EPCs to implement energy efficiency improvements in federally owned and operated facilities across Canada. Under the FBI, Energy Service Companies (ESCOs) provide a full range of energy management services, including the financing of energy efficiency improvements through Energy Performance Contracts (EPCs). This contracting process and FBI responsibilities are detailed in Appendix "O" of the Treasury Board Contracting Policy.

3.0 Background

3.1 Information on the Qualification Process

3.1.1 A Client wishing to undertake energy efficiency improvement projects in its facilities will have access to the Qualified Bidders List (QBL).

3.1.2 The QBL is a list of ESCOs that have demonstrated their ability to undertake energy efficiency improvements through EPCs, on the basis of information provided in their Requests for Qualification.

3.1.3 NRCan is responsible for issuing this Qualification Requirements document and assessing all Requests for Qualification. Public Services and Procurement Canada's (PSPC) Policy, Risk, Integrity and Strategic Management Sector of the Acquisitions Branch is contracted by NRCan to provide assistance in assessing the financial aspects of the Requests for Qualification. The remaining qualifications, including the technical assessments, are performed by NRCan. The assessment of requests is on-going.

3.1.4 Qualified ESCOs remain on the QBL for a three-year period, subject to Sub-section 3.1.5 below, beginning from the date specified in the Qualification Notice. ESCOs on the QBL have an opportunity to re-qualify prior to the expiry of their Period of Qualification.

3.1.5 Under the FBI, any ESCO whose name appears on the QBL for the three-year period referred to in Sub-section 3.1.4, may be required at any time to show that it continues to meet any or all of the mandatory evaluation criteria contained in Section 5 of this document. Any fundamental changes in company circumstances (e.g.: merger, sale, etc.) require that the submission be updated at the time of the change, which may occur before the end of the three-year period. The name and references to any ESCO may be removed from the QBL if the ESCO does not demonstrate that it continues to meet any or all of the aforementioned criteria.

3.1.6 Under the FBI, the Client will develop a Request for Proposal (RFP) to solicit proposals for specific energy efficiency improvements within its facilities. The Client posts the RFP on Buyandsell.gc.ca (the Government of Canada's procurement service) in order to receive bids from the ESCOs listed on the QBL and manages the proposal review process. The Client is also responsible for the evaluation of bids and award of contracts under the RFP that it issued.

3.1.7 The Client may enter into a contract with an ESCO to undertake an energy management service project involving one or more aspects including:

- a) implementation of energy efficiency improvements,
- b) energy management services,
- c) energy management monitoring and training,
- d) control systems and fuel conversions.

In all cases, the ESCO is required to demonstrate capabilities in engineering design.

3.1.8 The contracting instrument that Clients may be using under the FBI is an EPC.

3.1.9 Any provincial, territorial, municipal or energy utility financial incentives for which the energy efficiency improvements are eligible will be paid directly to the ESCO, who will reduce the amount payable under the EPC by the amount of such incentives.

3.2 Services that may be requested from ESCOs under the FBI

(This is not intended to be an exhaustive list. In addition to one or more of the services presented below, it is possible that the Client may request other services in an RFP.)

3.2.1 To review existing energy audit reports of the Client's facilities; to conduct a detailed energy audit and feasibility study of the existing facilities, physical plant, systems and equipment; to assess the potential reduction in energy consumption and energy demand; and to develop a plan for energy efficiency improvements related to lighting, motors, heating, ventilation and air conditioning, envelope improvements, cogeneration, control systems, and/or fuel conversions.

3.2.2 To prepare financial and technical proposals that will enable the Client and the ESCO to clearly understand the energy efficiency improvements being recommended, the total cost of the improvements, the breakdown by cost of engineering services, acquisition and installation of equipment, the source and reliability of projected savings, the building manager and operator training requirements, monitoring, the contract term, how project price or cost is determined, and all services to be offered.

3.2.3 To procure 100% of required project financing and provide a written statement about the source of project financing, interest rates, term, payment flexibility, and an explicit description of the associated obligations of the Client.

3.2.4 To assess energy bills for the facilities over a set period immediately prior to the signing of the EPC to determine the appropriate unadjusted energy consumption and energy demand baselines.

3.2.5 To design, engineer, acquire, install and commission all equipment and systems necessary for the energy efficiency improvements with complete responsibility as would be assumed by a general contractor, including, but not limited to:

3.2.5.1 Preparation of tender documents and presentation to potential subcontractors, in order to obtain pricing with respect to implementation of the improvements in the facilities; and

3.2.5.2 Awarding of contracts to the subcontractor who will implement the improvements in the facilities.

3.2.6 To select and implement an appropriate energy monitoring system to ensure that energy savings can be accurately measured against expectations; and to provide the necessary training and advice to facilities personnel so that they can reasonably comprehend and validate monthly energy savings reports.

3.2.7 To provide monthly reports to the Client on the performance of the energy efficiency improvements, energy and operating cost savings, variances, and applicable corrective actions.

3.2.8 To identify training requirements and to provide and/or arrange for training of facilities managers and operating staff on new and modified systems installed, so as to ensure permanence of energy savings beyond the term of the EPC; and to review and update existing operating manuals, drawings and other written instructions for new equipment and systems.

3.2.9 To provide information manuals on preventive maintenance procedures, requirements, inspection and repair programs for all new equipment and systems and all affected existing equipment and systems.

3.2.10 To maintain all new and existing improvements installed and systems affected by the improvements during the contract term (to be determined by the Client).

3.2.11 To establish and implement a quality assurance program in accordance with specific utility energy management programs for inspection and verification of work and to report to the Utility and the Client.

3.2.12 To provide support to the Client in its task of communicating information to employees of the benefits of energy efficiency improvements and their effects on the workplace.

3.2.13 To obtain and administer all rebates, incentives, grants and any other financial and non-financial benefits available from utilities and other sources.

4.0 Qualification Requirements

4.1 ESCOs are invited to submit Requests for Qualification to the address detailed hereunder. The Request must contain sufficient details to enable a complete assessment of the proposal and, as a minimum, must address each of the evaluation criteria stated below. The Request should be submitted on letter-sized 21.5cm x 28cm (8-1/2" x 11") paper or on an encrypted USB key, and items should be numbered to correspond with the evaluation criteria.

4.2 To be qualified, an ESCO must meet all the criteria of Section 5 and clearly indicate its area of expertise in energy management services, which include: engineering design, lighting, motors, heating, ventilation and air conditioning, envelope improvements, cogeneration projects, retrofits, control systems, fuel conversions, and renewable energies.

4.3 The Request for Qualification must clearly indicate for which provinces and/or territories the ESCO wants to be considered.

4.4 The ESCO must state, in a clear and concise manner, complete information for each of the evaluation criteria outlined in Section 5.

4.5 Joint ventures between organizations that can perform the energy services requirement under the FBI using in-house human resources can apply. These joint ventures, which pool resources and finances, must demonstrate that they meet all the criteria in this document in order to qualify.

4.6 The ESCO must specify its security clearance level. There is no security requirement associated with the qualification process. However, an ESCO may be required to meet Secret clearance for a specific client's project. Most projects require Reliability clearance.

5.0 Evaluation Criteria

Failure to provide the required information where the qualifier "must" is used will be rated non-responsive.

ESCOs are advised that NRCan will assess complete submissions only. ESCOs unable to provide all the information are requested to postpone their submissions and submit only when all necessary information becomes available. An ESCO that does not qualify and wishes to resubmit, must resubmit its entire submission and not just the missing information.

The following criteria will be used for the purpose of evaluating Requests for Qualification.

5.1 Project Experience:

The ESCO must

5.1.1 Have implemented at least two (2) energy improvement projects, with completion dates within the last five (5) years, using the EPC mechanism, and provide details on those two projects with the following information:

- The client's name and address; the client contact's name, telephone number and email; the project's initiation and completion dates; the list of the upgrades made
- A comparison between estimated and actual annual energy and operating savings (in dollars and gigajoules), and the value and term of the contract
- The different sources and amounts of financing, including financial incentives

5.1.2 Have the two clients above complete Appendix A: Client Questionnaire.

5.2 Contract Capability:

ESCOs are required to have the full financial capability that is necessary for the provision of Energy Management Services or to obtain this capability through a financial institution. An ESCO's operating line of credit based on receivables cannot be used to demonstrate financial capacity to perform an EPC. Financial capacity must be demonstrated by recent financial performance, by a strong working capital position, and by demonstrated access to multi-year financing sources.

The ESCO must:

5.2.1 Provide details on its maximum capability to engage in EPCs, that is, the maximum annual dollar volume it can finance and the total financial capacity of the ESCO; and,

5.2.2 Submit a letter from the ESCO's financial institution or other financing sources indicating the maximum level of financing available to the ESCO for the purpose of the FBI (lease-financing is not acceptable under the FBI).

5.3 Engineering Design Experience:

The ESCO must:

5.3.1 Provide details, for **all Energy Management Service packages identified in Section 4.2**, that clearly demonstrate the types of energy improvements that the ESCO is capable of designing and installing. Details provided should refer to the two projects requested in Section 5.1.1.

5.3.2 Provide details that clearly demonstrate experience in project management and the commissioning of energy improvements. Details provided must refer to the two projects requested in Section 5.1.1.

5.3.3 Provide details on past experience in energy audits, energy analyses and feasibility studies, energy monitoring, energy system maintenance and repair, and the training of building managers and operators. Details provided should refer to the two projects requested in Section 5.1.1.

5.4 Human Resources - Experience & Qualifications:

The ESCO must:

5.4.1 Demonstrate that it has personnel with at least five (5) years of experience in managing the design and implementation of energy improvements.

5.4.2 Provide names and qualifications of key personnel **supported by detailed résumés** demonstrating relevant project experience. The ESCO should also identify the employment status of each individual, e.g., partner, full-time employee, part-time employee, etc.

5.4.3 Demonstrate, for **each province and/or territory** identified in Section 4.3 that the ESCO has professional engineers available who are qualified to practice in that province and/or territory and who are able to take responsibility for project energy audit, design and implementation.

5.5 Project Management Approach:

The ESCO must:

5.5.1 Clearly state if some aspects of the improvements are to be subcontracted and/or delivered by a partner management firm and indicate how the improvements are to be managed at the project level.

5.6 Workers Compensation Certification:

The ESCO should:

5.6.1 Demonstrate that it is in good standing with the Board or Commission that handles workers' compensation claims in at least one of the provinces or territories in which it intends to provide Energy Management Services.

5.7 Financial Capability:

The ESCO must have the necessary financial capacity to complete EPCs. The ESCO must provide, for the legal entity that will enter into the EPC, the following:

5.7.1 Audited financial statements, or if those are not available, unaudited financial statements (prepared by an external accounting firm, where applicable, or by an internal agent if no financial statements were prepared by a third party) for the past three (3) fiscal years. If the ESCO is in operation for less than three (3) years, it must provide financial statements for the entire time period in question (including as a minimum, the Balance Sheet, the Statement of Retained Earnings, the Income Statement and any notes to the statements).

5.7.2 A signed certificate from the Chief Financial Officer (CFO) or an authorized signing officer of the company stipulating that the financial information provided is complete and accurate.

5.7.3 Year-to-date financial statements, prepared either by the CFO or in-house, of the ESCO (applicant company) for the current fiscal year with comparative in-house statements for the same period of the prior year, if the date of the financial statements in Section 5.7.1 is more than five (5) months before the date of the Request for Qualification.

5.7.4 A parental guarantee signed by the parent company, if requested by NRCan.

Additional information: NRCan reserves the right to request from the ESCO any other information required to conduct a complete financial capability assessment of the ESCO.

5.8 Contract Duration:

The ESCO should indicate:

5.8.1 The acceptable contract duration (period of time) for which it is willing to enter into an EPC.

5.9 Risk Management:

The ESCO should provide:

5.9.1 Evidence that it carries adequate insurance coverage with respect to comprehensive general liability and errors and omissions.

5.9.2 Evidence that it can comply with bonding requirements, should this be a requirement (some departments require bonding for security reasons).

5.10 Partnership and Joint Ventures:

The ESCO must provide:

5.10.1 Information on the legal responsibility and identify where legal responsibility will rest if partnerships and joint ventures are created when undertaking work under the FBI.

5.10.2 A list of each affiliated, parent or subsidiary company that either in its own name or through a partnership or joint venture, is:

- Qualified for the QBL; and/or
- Part of another recent Request for Qualification (RFQ) submission.

5.10.3 A biographical summary for the ESCO and/or related companies or group of companies.

5.10.4 A corporate tree for the ESCO and/or related companies or group of companies with a breakdown of inter-company relationships and individual corporate and shareholder ownership.

5.11 Dispute Settlement Approach:

The ESCO must confirm:

5.11.1 That it will assume responsibility for resolution of all engineering, subcontractor and/or supplier disputes.

Confidentiality: If the ESCO provides the information required above (Sections 5.2; 5.7 and 5.10) to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as permitted by the *Access to Information Act*, R.S., 1985, c. A-1, Section 20(1) (b) and (c).

6.0 Receipt of Request for Qualification

6.1 Requests for Qualification (1 copy only) are to be submitted to the following address:

Jean-Patrick Burafuta
Senior Officer
Federal Buildings Initiative
Office of Energy Efficiency
Natural Resources Canada
580 Booth Street, 16 A8-4
Ottawa, Ontario K1A 0E4
Tel.: 343-292-6392
Email: Jean-Patrick.Burafuta@Canada.ca

6.2 Facsimile responses will not be accepted. Emails responses are not recommended for security reasons. The Request for Qualification can be sent on an encrypted USB key or hardcopy to the address above.

7.0 Incurring of Costs

7.1 No payment will be made to any ESCO for costs incurred in the preparation and submission of a Request for Qualification.

8.0 Enquiries

8.1 All enquiries and other communications related to this document should be directed to

Marie Lyne Tremblay
Deputy Director
Federal Buildings Initiative
Office of Energy Efficiency
Natural Resources Canada
580 Booth Street, 16 A3-4
Ottawa, Ontario KIA 0E4
Tel.: 343-292-6382
Email: Marielyne.Tremblay@Canada.ca

Appendix A

CLIENT QUESTIONNAIRE

Contractor name:

Project title:

Project starting date:

Project completion date:

1. What was the original completion date? When was the project completed? If the deadline was not met, can you provide details why?

2. Did the contract involve energy savings performance guarantees? If so, describe performance guarantees (e.g., annual energy or cost savings).

3. Did the installed project achieve the energy savings and/or demand reduction projected or guaranteed by the energy service company (ESCO - contractor)? By how much did it exceed or fall short of the target?

4. How would you qualify the contractor operations, maintenance, and repair services, if any?

5. Were rebates from the utility in your area available to you? If yes, did the ESCO arrange utility supplier rebates or other financial incentives?

6. What was the capital investment in the energy project?

7. Provide an overall rating of the quality and timing of services provided by the ESCO. If your answers to questions 1 - 5 were all yes, please briefly explain your reasons for giving a Good or Poor rating, as applicable.

_____ **Excellent**

Exceeded expectations, highly recommend the ESCO (contractor).

_____ **Good**

Met all requirements, recommend the ESCO (contractor).

_____ **Fair**

Achieved project objective, room for improved quality and performance, recommend the ESCO (contractor).

_____ **Poor**

Significant shortfall in performance and quality, would not recommend the ESCO (contractor).

Remarks:

Client name, address, email, and phone number:

Client signature, title, and date