



**State of Hawai'i**  
Department of Commerce and Consumer Affairs  
**Public Utilities Commission**

**REQUEST FOR PROPOSALS**  
**No. RFP-PUC-25-02**

**SEALED OFFERS FOR PUBLIC BENEFITS FEE**  
**ADMINISTRATOR**

**WILL BE RECEIVED UP TO 2:00 PM HST ON NOVEMBER 22, 2024**

STATE OF HAWAII  
Public Utilities Commission

DIRECT QUESTIONS RELATING TO THIS SOLICITATION IN HIEPRO (STATE OF HAWAII E-PROCUREMENT SYSTEM).

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Jodi Endo Chai  
Procurement Officer  
Hawai'i State Public Utilities Commission

## Administrative Information

Title:	PUBLIC BENEFITS FEE ADMINISTRATOR
Project Description	The State of Hawai'i Public Utilities Commission ("PUC" or "Commission") is issuing this Request for Proposals ("RFP") to select a Public Benefits Fee Administrator ("PBFA"), which will implement the State's programs in service of the energy efficiency portfolio standard and related clean energy policies and objectives.
Point of Contact	Hawai'i Public Utilities Commission via Hawai'i E-Procurement - HiePRO
Submit proposals electronically via Hawai'i Electronic Procurement System (HiePRO):	Electronic Submission <a href="http://hiepro.ehawaii.gov">http://hiepro.ehawaii.gov</a>
Closing Date & Time:	<b>Friday, November 22, 2024 2:00 pm HST</b>
Cost:	State is seeking a contractor to accomplish the requirements, not to exceed \$130,000,000.00. Proposal cost should include all fees, taxes, and subscriptions.
Initial Contract Term	The term of the Contract will be approximately 4 years and two months, ending March 31, 2029
Contract Renewal Options:	One (1) 3-year renewal option or portions thereof.
Anticipated Contract Start:	February 14, 2025
NOTE THE MANDATORY .75% TRANSACTION FEE TO HAWAI'I INFORMATION CONSORTIUM, LLC (HIC) BASED ON QUARTERLY SALES FOR AWARDS MADE IN HIEPRO TO HAWAI'I AGENCIES ONLY AND LIMITED TO THE FIRST YEAR.	

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# SECTION 1 – INTRODUCTION

The State of Hawai'i Public Utilities Commission ("Commission" or "PUC") was established in 1913. The Commission's mission is to serve the public, by ensuring essential utility services are delivered to consumers in a safe, reliable, economical, and environmentally sound manner.

Currently, the PUC regulates over 2,000 entities, which include all chartered, franchised, certificated, and registered public utility companies that provide electricity, gas, telecommunications, private water and sewage, and motor and water carrier transportation services in the state. It also oversees the administration of a One Call Center that provides advance warning to excavators of the location of subsurface installations in the area of an excavation in order to protect those installations from damage; the Telecommunications Relay Services (TRS) fund which provides intrastate TRS for the deaf, persons with hearing disabilities, and persons with speech disabilities; and the Public Benefits Fee surcharge, which is used to fund and support energy efficiency programs and services implemented by an independent third party administrator (known as Hawai'i Energy) on the islands of O'ahu, Maui, Moloka'i, Lāna'i and Hawai'i.

More information about the Public Utilities Commission can be found on the [PUC website](#).

The PUC is issuing this Request for Proposals ("RFP") to select a Public Benefits Fee Administrator ("PBFA"), which will implement the State's programs in service of the energy efficiency portfolio standard and related clean energy policies and objectives.

## 1.1 NOTICE TO OFFERORS

1.1.1 Offerors are encouraged to read each section of the solicitation thoroughly. It is the responsibility of the Offeror to understand the requirements.

1.1.2 Offerors shall note that this solicitation will result in a contract with the Hawai'i Public Utilities Commission.

## 1.2 CANCELLATION

The Request for Proposals (RFP) may be cancelled and any or all proposals rejected in whole or in part, without liability to the State, when it is determined to be in the best interest of the State.

## 1.3 TERMS AND ACRONYMS USED THROUGHOUT THIS SOLICITATION

"BAFO" means Best and Final Offer.

"BREG" means the State of Hawai'i Department of Commerce and Consumer Affairs, Business Registration Division.

“Contract” means the contract awarded to the Successful Offeror for Program Administrator Services as described in this RFP.

"Contract Manager" means the entity designated by the State of Hawai'i Public Utilities Commission to administer contracts between the Commission and Program Administrator(s) and/or EM&V Contractors. Also known as the “Energy Efficiency Manager” or “EEM”.

“Consumer Advocate” means the Executive Director of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, as defined under HRS § 269-51.

"Contracting Officer" means the Chairperson of the State of Hawai'i Public Utilities Commission.

“Cost Benefit Tests” means the cost-benefit tests outlined in the [California Standard Practice Manual, Economic Analysis of Demand-Side Programs and Projects \(2001\)](#).

“DCA” means the Division of Consumer Advocacy, State of Hawai'i Department of Commerce and Consumer Affairs, as defined under HRS § 269-52.

“DLIR” means State of Hawai'i Department of Labor & Industrial Relations.

“DOE” means U.S. Department of Energy.

“DOTAX” means State of Hawai'i Department of Taxation.

“DSM” means demand-side management.

“DSM Docket” means State of Hawai'i Docket No. 2005-0069.

“Energy Efficiency” is using less energy to provide the same service. A system that is more energy efficient is able to deliver more, or superior services for the same energy input, or the same services for less energy input.

“Energy Efficiency Manager” or “EEM” means the entity designated by the State of Hawai'i Public Utilities Commission to administer contracts between the Commission and Program Administrator(s) and/or EM&V Contractors. Also known as the “Contract Manager”.

"Energy Efficiency Portfolio Standard" or "EEPS" generally refers to a law that sets a standard of electricity use reduction to be achieved in incremental stages. For Hawai'i, the EEPS refers to the standard set forth by Act 155,

Session Laws of Hawai'i 2009, and promulgated as HRS § 269-96, as amended. Hawai'i's EEPS requires electricity use reductions totaling at least 4,300 gigawatt-hours (GWh) statewide by 2030.

"Energy Efficiency Portfolio Standard Framework" or "EEPS Framework" means the *Framework for Energy Efficiency Portfolio Standards* approved by the State of Hawai'i Public Utilities Commission in Decision and Order No. 30089, filed January 3, 2012 within Docket No. 2010-0037.

"EM&V" means evaluation, measurement and verification.

"EM&V Contractor" means the entity designated by the Commission to provide independent evaluation services for the Program and/or other programs pursuant to HRS § 269, Part VII, and/or for related activities.

"Ex Ante" means initial energy savings and/or other assumptions and parameters used to calculate Program accomplishments prior to any ex post evaluation.

"Ex Post" means evaluation conducted to assess Program accomplishments or parameters after the installation of efficient measures and/or implementation of efficient practices, and/or other Program practices.

"Finance Program Administrator" or "FPA" means the entity providing certain financing services for the Bill Saver Program and/or other programs.

"Fiscal Agent" or "FA" means the entity designated by the Commission to assist the Commission with the financial management of the Public Benefits Fee, as defined under HRS Chapter 269, Part VII.

"GC" means General Conditions, issued by the State of Hawai'i Department of the Attorney General.

"GIF" means Green Infrastructure Fee, the utility-wide non-by-passable surcharge, which shall be deposited into the green infrastructure bond fund. See HRS § 269-166.

"GEMS" means "Green Energy Market Securitization" a financing model designed to make clean energy improvements, such as photovoltaic panels, affordable and accessible to underserved community members using a rate-reduction bond structure. See Act 211, Session Laws of Hawai'i 2013.

"GET" means General Excise Tax.

"HAR" means State of Hawai'i Administrative Rules.

“HCE” means State of Hawai‘i Compliance Express.

“Hawai‘i Clean Energy Initiative” or “HCEI” refers to a partnership between the State of Hawai‘i and the U.S. Department of Energy (DOE). <https://energy.hawaii.gov/hawaii-clean-energy-initiative/>

“Hawai‘i Energy” is the brand for the Hawai‘i Energy Efficiency Program.

“Hawai‘i Energy Efficiency Program” or “Hawai‘i Energy” is the conservation and energy efficiency program operating under the auspices of the Hawai‘i Public Utilities Commission. The Hawai‘i Energy Efficiency Program began operations in 2009.

“HECO” means Hawaiian Electric Company, Inc. HECO is a Hawai‘i corporation initially organized under the laws of the Kingdom of Hawai‘i on or about October 13, 1891. HECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of O‘ahu, in the State of Hawai‘i and is a public utility as defined by HRS § 269-1.

“HECO Companies” means Hawaiian Electric Company (HECO) and its subsidiaries Hawai‘i Electric Light Company, Inc. (HELCO), and Maui Electric Company, Ltd. (MECO).

“HECO Companies’ service territory” means the islands of O‘ahu, Hawai‘i, Maui, Moloka‘i, and Lāna‘i, which are serviced by the HECO Companies.

“HELCO” means Hawai‘i Electric Light Company, Inc. HELCO is a Hawai‘i corporation initially organized under the laws of the Republic of Hawai‘i on or about December 5, 1895. HELCO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Hawai‘i and is a public utility as defined by HRS § 269-1.

“HGIA” means the Hawai‘i Green Infrastructure Authority.

“HRS” means Hawai‘i Revised Statutes.

“HST” means Hawai‘i Standard Time.

“HVAC” means heating, ventilation and air conditioning.

“IRP” means integrated resource planning or integrated resource plan.

“IRS” means Internal Revenue Service.

“I.T.” means information technology.

“KIUC” means Kaua’i Island Utility Cooperative. KIUC is a not-for-profit generation, transmission and distribution cooperative owned and controlled by the members it serves. The cooperative currently serves more than 32,000 electric accounts and operates its own energy efficiency programs.

“Load Management” means direct control or management of the load.

“MECO” means Maui Electric Company, Ltd. MECO is a Hawai’i corporation initially organized under the laws of the Territory of Hawai’i on or about April 28, 1921. MECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Maui; the production, transmission, distribution, and sale of electricity on the island of Moloka’i, and the production, distribution, and sale of electricity on the island of Lāna’i.

"Offeror" means any individual, partnership, firm, corporation, joint venture, or other entity submitting directly or through a duly authorized representative or agent, a bid for the goods, service, or construction contemplated in this RFP.

“PBF” means the Public Benefits Fee established by the Commission, pursuant to HRS § 269-121, that includes money collected by the HECO Companies from ratepayers to support clean energy technology, demand response technology, energy use reduction, and demand-side management infrastructure, programs, and services, subject to Commission review and approval.

“PBF Docket” means PUC Docket No. 2007-0323.

“PBF Program(s)” or “Program(s)” means the PBF-supported programs. The PBF Programs currently includes the Hawai’i Energy Efficiency Program.

“Performance Indicator” means a mutually defined objective measure of energy efficiency resource acquisition that explicitly links Program performance with the Commission’s Program objectives.

“Performance Award” means an incentive proposed by a prospective bidder that is linked to the accomplishment of Program Performance Indicators.

"Procurement Officer" means the State of Hawai’i Public Utilities Commission Executive Officer or other PUC personnel so-authorized.

“Program Services” means the design, administration and delivery of energy efficiency, DSM and renewable integration services.



“Program Year” means a one-year implementation cycle for the PBF Programs. Currently, the PBF Programs are implemented from July 1 through June 30 of the following year. For example: PY 20 = July 1, 2020 through June 30, 2021.

“Public Benefits Fee Administrator” or “Program Administrator” means the third-party administrator of the PBF programs in the HECO Companies’ service territories, selected by the Commission under HRS Chapter 269, Part VII.

“Public Utilities Commission” or “Commission” or “PUC” means the State of Hawai’i Public Utilities Commission as defined under HRS § 269-2. The PBF Programs discussed within this RFP are under the auspices of the Commission.

“PV” means photovoltaic.

“Renewable Energy Integration” means the incorporation of renewable energy, distributed generation, energy storage, and demand response into the electric distribution and transmission system.

“RFP” means Request for Proposals.

“State” means State of Hawai’i.

“Successful Offeror” means the entity offered a Contract for Program Administrator services as described in this RFP.

“Technical Advisory Group” or “TAG” means an advisory group made up of representatives from the Program Administrator, the Division of Consumer Advocacy, the HECO Companies, the Energy Efficiency Manager (or EEM), and other interested energy efficiency stakeholders as designated by the Chairperson of the PUC. The TAG assists the EEM and Commission in review of Hawai’i Energy’s programs, evaluation, and reference materials.

“Technical Working Group” or “TWG” means an advisory group made up of representatives from the Program Administrator, the Division of Consumer Advocacy, the HECO Companies, the EEM, and other interested energy efficiency stakeholders as designated by the Chairperson of the PUC. The TWG assists the EEM and Commission in EEPS-related initiatives.

“Total Resource Benefits” or “TRB” means the present value in dollars of the stream of energy savings attributable to an energy efficiency program or portfolio.

“Technical Reference Manual” or “TRM” means the technical description of all

prescriptive and/or custom calculation methodologies for energy efficiency measures and program assumptions for the programs, and potentially for other demand-modifying programs. The TRM serves as a basis for energy savings claims for the Program.

"Working day" means Commission office hours, every day from 7:45 a.m. to 4:30 p.m., Hawai'i Standard Time, except Saturday, Sunday, and any State of Hawai'i holiday.

**1.4 RFP SCHEDULE AND SIGNIFICANT DATES**

The schedule represents the State’s best estimate of the schedule that will be followed. All times indicated are Hawai'i Standard Time (HST). If a component of this schedule, such as “Proposal Due date/time” is delayed, the rest of the schedule will likely be shifted by the same number of days. Any change to the RFP Schedule and Significant Dates shall be reflected in and issued in an addendum.

The approximate schedule is as follows:

<b>Activity</b>	<b>Scheduled Dates*</b>
Release of Request for Proposals	Friday, September 20, 2024
Deadline to Register for Pre-Proposal Conference (via email, see Section 1.5)	Wednesday, October 16, 2024
Pre-Proposal Conference (virtual)	Thursday, October 17, 2024, 10:00am HST
Written Questions due (submit in HlePRO)	Monday, October 21, 2024
Issuance of responses to written inquiries and of RFP addendums (if applicable)	Monday, October 28, 2024, 4:30pm HST
<b>Closing date – proposals due via HlePRO</b>	<b>Friday, November 22, 2024</b>
Discussions with priority-listed Offerors	Tues-Thurs December 17-19, 2024
Best and Final Offers (BAFOs) due	Monday, January 13, 2024
Provider selection and award	On or around January 27, 2024
Contract start date (work begins)	On or around February 14, 2025

\*note: all **deadlines are 2:00PM HST**, unless otherwise stated. Potential Offerors must adhere to the specified time that an item is due.

## 1.5 PRE-PROPOSAL CONFERENCE

The purpose of the pre-proposal conference is to provide Offerors with an opportunity to be briefed on this procurement and to ask questions about the procurement process. Pre-proposal conference attendance is not mandatory; however, Offerors are encouraged to attend to gain a better understanding of the requirements of this RFP. If attending, please register via email to: [gerald.j.hew@hawaii.gov](mailto:gerald.j.hew@hawaii.gov) and cc: [Ashley.F.Norman@hawaii.gov](mailto:Ashley.F.Norman@hawaii.gov) no later than Wednesday, October 16, 2024 at 2:00 pm HST. The email subject line should read: Pre-Proposal Conference, RFP-PUC-25-02.

Offerors are advised that anything discussed at the pre-proposal conference does not change any part of this RFP. All changes and/or clarifications to the RFP shall be made in the form of an addendum.

The pre-proposal conference will be held as follows:

**DATE:** Thursday, October 17<sup>th</sup>, 2024

**TIME:** 10:00 am HST – approximately one hour duration

**VENUE:** Virtual Meeting  
(invitations will be sent directly to those participants who register by the deadline)

## 1.6 QUESTIONS AND ANSWERS PRIOR TO OPENING OF PROPOSALS

All questions must be submitted through HlePRO. Questions must be submitted by the deadline specified in Section 1.4, *RFP Schedule and Significant Dates*, as amended.

Responses will be given via the HlePRO site to questions through Addenda/Amendments by the date specified in Section 1.4, *RFP Schedule and Significant Dates*, as amended.

## 1.7 PROCUREMENT ADVISOR

For this solicitation, Gerald Hew, PUC Fiscal Manager, ([gerald.j.hew@hawaii.gov](mailto:gerald.j.hew@hawaii.gov)) will be designated as the Procurement Officer's advisor to this procurement. The Procurement Officer's designee is the single point of contact during the procurement process.

## SECTION 2 – PROGRAMS, BACKGROUND, AND SCOPE

### 2.1 Programs

The Programs serve the clean energy goals of the State of Hawai'i by offering energy efficiency and conservation services for electric utility customers of the Hawaiian Electric Companies ("HECO Companies")<sup>1</sup> and incentives for the installation of electric vehicle charging stations ("EVCS") for eligible customers in all counties in the state, including Kaua'i. Hawai'i Energy's energy efficiency programs are primarily ratepayer funds collected from the Public Benefits Fee via Hawai'i Revised Statutes §269-121 through §269-124 and EVCS incentives are made available through taxpayer funds as established via Hawai'i Revised Statutes § 269-72 and § 269-73.

#### 2.1.1 Hawai'i Energy Efficiency Program

The Hawai'i Energy program includes rebates and other incentives to residential and business electric utility customers to help offset the cost of energy-efficiency measures. Hawai'i Energy also offers technical services and energy advisement, education and training, contractor network development, marketing and communications, and other services as needed to achieve Program objectives. In recent years, at the direction of the Commission, Hawai'i Energy programs have expanded beyond energy efficiency to include some grid services ready program offerings (or "Energy Optimization") that prepare the customer to participate in demand response and demand flexibility programs in the future. Hawai'i Energy will likely continue to expand its programmatic support of Energy Optimization over time.

#### 2.1.2 Electric Vehicle Charging Station Rebates

In 2019, the Commission expanded the PBFA responsibilities to include the administration of the State's Electric Vehicle Charging Station (EVCS) rebate program as established in statute as HRS § 269-72 and § 269-73. Eligible charging stations include alternating current Level 2 single or multi-port charging stations with network connectivity and direct current fast-charging EV charging stations with network connectivity.

#### 2.1.3 Additional Program Information

The Hawai'i Energy Program Year runs from July 1st of the Program Year to June 30th of the following year and is denoted as "PY" (i.e. "PY2024" or "PY24": July 1, 2024 to June 30, 2025). The Hawai'i Energy Annual and Triennial Plans and reports are available at the Hawai'i Energy website: <https://www.hawaiienergy.com/about/information-reports>. Prospective Offerors should review the Program documents to respond appropriately to this RFP, and particularly the Hawai'i Energy PY22-PY24 Triennial Plan. The Commission also maintains an open proceeding, known as the Public Benefits Fee

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<sup>1</sup> The HECO Companies serve customers in Maui County (including Moloka'i and Lāna'i), Hawai'i County, and the City and County of Honolulu.

Docket (No. 2007-0323)<sup>2</sup>, which includes all PUC filings to date regarding the PBF and associated Hawai'i Energy activities.

## 2.2 Program Objectives

The Commission objectives for the Programs were foundationally established in Decision and Order 23258, Docket No. 2005-0069. These objectives are as follows:

1. Energy savings;
2. Peak demand reductions (including overall demand reduction, targeted peak reduction, targeted geographical load reduction, and load shifting);
3. Customer equity and accessibility (providing all classes of HECO Companies customers on all islands the opportunity to participate in the Programs);
4. Cost-effectiveness (recognizing that this objective may sometimes be at odds with customer equity); and
5. Market transformation.<sup>3</sup>

The Program currently operates with a focus on three core areas (Clean Energy Technologies & Energy Optimization, Accessibility & Affordability, and Market Transformation & Economic Development) and includes seven plan objectives, as outlined in the Hawai'i Energy PY22-PY24 Triennial Plan.

Hawai'i Energy also recently finalized a Strategic Roadmap ("Roadmap")<sup>4</sup> which provides a high-level outlook for the Program's strategies and activities to support energy efficiency targets through year 2030 and beyond. The Roadmap is a flexible multi-year plan that defines Hawai'i Energy's strategic vision, and the key milestones, partnerships and measurable goals required to achieve it. The Program Administrator is responsible for executing the Roadmap so that Hawai'i Energy will continue to serve as a consistent resource for the State's energy infrastructure. The Program Administrator is also responsible for updating the Roadmap periodically, when deemed necessary, and in collaboration with the Commission and various stakeholders.

In addition, the Program will support continued expansion of the state's EVCS infrastructure<sup>5</sup> through the effective administration of the EVCS incentives as directed in statute.

The Commission seeks a Program Administrator that performs with flexibility and innovation to achieve the Program objectives as listed above. The Program Administrator must recognize the growth of the Program since it began in 2009 and will offer Program services that capitalize on the evolving role of energy efficiency, energy optimization,

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<sup>2</sup> See PUC Case and Document Management System (CDMS): <https://hpuc.my.site.com/cdms/s/search>

<sup>3</sup> Docket 2005-0069, D&O No. 23258, filed February 13, 2007 at 143.

<sup>4</sup> See Hawai'i Energy 2030 Strategic Roadmap: <https://hawaiienergy.com/wp-content/uploads/Hawaii-Energy-2030-Strategic-Roadmap.pdf>

<sup>5</sup> HRS § 269-72 and § 269-73.

demand flexibility, and the EVCS infrastructure as part of the State's clean energy plans and the emerging needs of the market. This may include Program services that develop current objectives; for example, addressing the peak demand reduction objective may include collaborative demand-side management ("DSM")<sup>6</sup> programs to achieve demand response, demand flexibility, and renewable energy integration goals.

While the Commission welcomes innovative, strategic DSM offerings to the extent that budget and resources allow, the Commission expects that: 1) all offerings should leverage energy efficiency services (EVCS excepted); 2) all offerings must form part of a coherent, strategic, integrated Program; and 3) the Program should be planned and administered as a key part of the State's clean energy goals, developed in concert with other initiatives, services, and programs where relevant, and with other agencies, entities, and providers as relevant. All DSM activities, with the exception of EVCS, are intended to be complementary to the Program's primary focus of energy efficiency.

The Program Administrator must recognize and maximize the collaboration and coordination opportunities afforded by the Program, and shall design to minimize duplication, leverage relationships, and maximize opportunities. Offerors must also plan for collaboration with stakeholders, providers, and the State's utilities.

## **2.3 Background**

The creation, implementation, and operation of the PBF, the Program Administrator, and related Programs serve the energy efficiency and clean energy goals of the State. For energy efficiency and energy optimization, the current Program was developed and is funded, administered, and evaluated pursuant to HRS § 269-121 through HRS § 269-124. From here on, unless otherwise stated, all energy efficiency elements of the Programs that result from this RFP are governed by the relevant statutes, HRS § 269-121 through § 269-124,<sup>7</sup> and for the EVCS rebate program via HRS § 269-72 and § 269-73.

### **2.3.1 Public Benefits Fee**

The PBF is a surcharge established by the Commission<sup>8</sup> and collected by the HECO Companies from customers. The PBF moneys shall be used to support clean energy

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<sup>6</sup> Demand-side management means load shifting, energy efficiency, and energy conservation (McKinsey, 2010). In Docket No. 2007-0323, D&O No. 23681 filed September 26, 2007, the Commission described DSM as inclusive of both energy efficiency and load management.

<sup>7</sup> See Sections 2.4 and 2.5 for more detail on legislative and institutional context.

<sup>8</sup> Pursuant to HRS § 269-121,<sup>8</sup> Act 162, Session Laws of Hawai'i 2006 (as amended by Act 118, Session Laws of Hawai'i 2008, and codified as HRS § 269 Part VII) authorizes the Commission, by order or rule, to redirect all or a portion of the moneys collected by Hawai'i's electric utilities from customers, through a surcharge, to a third-party administrator contracted by the Commission.

technology<sup>9</sup>, demand response technology, and energy use reduction, and demand side management infrastructure, programs, and services, subject to the review and approval of the Commission.

For PY24, the PBF surcharge was set at 1.75% of the HECO Companies' projected utility revenues, plus revenue taxes. The PBF collection is currently split between residential and commercial/industrial customers at a ratio of 41% residential and 59% commercial/industrial collections. Because the PBF is collected in all the HECO Companies' service territories, any HECO customer served under a given rate schedule (e.g. Schedule R) will pay the same cents per kWh surcharge, regardless of the service territory,<sup>10</sup> as the PBF Programs are intended to benefit and be available to all such service territories.

As of December 1, 2014, the PBF surcharge was reduced by the collection of the Green Infrastructure Fees on behalf of the State of Hawai'i Green Infrastructure Authority, and will continue through calendar year 2029.

### 2.3.2 Public Benefits Fee Administrator

The Commission may contract with a Public Benefits Fee Administrator<sup>11</sup> ("Program Administrator") to operate and manage the Programs. Current statute requires that the Program Administrator shall not be an electric public utility or an electric public utility affiliate. The Program Administrator is also subject to regulation and oversight by the Commission and is required to report directly to the Commission on a regular basis.<sup>12</sup>

The qualification requirements and duties and responsibilities for a Program Administrator are listed in HRS § 269-123. The qualification requirements for a Program Administrator may include experience and expertise in:

1. Energy-efficient and renewable energy technologies and methods; and
2. Identifying, developing, administering, and implementing demand-side management and energy-efficiency programs.<sup>13</sup>

The Program Administrator duties and responsibilities shall be established by the Commission by rule or order, and may include:

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<sup>9</sup> HRS § 269-121 provides: "clean energy technology" means any commercially available technology that enables the State to meet the renewable portfolio standards, established pursuant to HRS § 269-92, or the energy-efficiency portfolio standards, established pursuant to HRS § 269-96, and approved by the Commission by rule or order.

<sup>10</sup> The HECO Company service territories are defined as the counties of Maui (including Lāna'i and Moloka'i), Honolulu, and Hawai'i.

<sup>11</sup> HRS § 269-122.

<sup>12</sup> HRS § 269-122(b).

<sup>13</sup> HRS § 269-123(a).

1. Identifying, developing, administering, promoting, implementing, and evaluating programs, methods, and technologies that support energy-efficiency and demand-side management programs;
2. Encouraging the continuance or improvement of efficiencies made in the production, delivery, and use of energy-efficiency and demand-side management programs and services;
3. Using energy-efficiency expertise and capabilities that have been developed or may be develop in the State, through consultation with state agency experts;
4. Promoting program initiatives, incentives, and market strategies that address the needs of persons facing the most significant barriers to participation;
5. Promoting coordinated program delivery, including coordination with electric public utilities regarding the delivery of low-income home energy assistance, other demand-side management or energy-efficiency programs, and any utility programs;
6. Consideration of innovative approaches to delivering demand-side management and energy-efficiency services, including strategies to encourage third-party financing and customer contributions to the cost of demand-side management and energy-efficiency services; and
7. Submitting, to the Public Utilities Commission for review and approval, a multi-year budget and planning cycle that promotes program improvement, program stability, and maturation of programs and delivery resources.<sup>14</sup>

#### **2.4 Legislative Background Related to Energy Efficiency**

The Legislature established the PBF in 2006. In 2008, the State established the Hawai'i Clean Energy Initiative with a goal of meeting 70% of the State's energy needs through renewable energy and energy efficiency by 2030.<sup>15</sup> In 2009, the Legislature passed Act 155, which allowed the Commission to establish an Energy Efficiency Portfolio Standard to maximize cost-effective energy-efficiency programs and technologies and is designed to achieve 4,300 GWh of electricity-use reductions by year 2030.<sup>16</sup>

The following provides information on relevant dockets<sup>17</sup> and laws relating to the Programs:

##### **2.4.1 Demand-side Management and Load Management (PUC Docket No. 2005-0069)**

In the Demand-side Management and Load Management Docket ("DSM Docket"), the Commission examined which market structure may be the most appropriate for providing

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<sup>14</sup> HRS § 269-123(b)

<sup>15</sup> The HCEI has since been revised to achieve 100% clean energy by 2045. <https://energy.hawaii.gov/hawaii-clean-energy-initiative/>

<sup>16</sup> See HRS § 269-96 ("EEPS").

<sup>17</sup> See PUC CDMS site: <https://hpuc.my.site.com/cdms/s/search>



DSM programs and ordered that a new docket shall be opened to select a PBF administrator and to refine details of the new (energy efficiency) market structure.

#### 2.4.2 Public Benefits Fee (PUC Docket No. 2007-0323)

The PBF Docket was opened to select a PBF Administrator and to implement a new market structure for energy efficiency demand-side management. In this docket, the Commission has overseen the PBF and Hawai'i Energy for seventeen consecutive years. The PBF surcharge collections, Program impacts, budgets, Annual Plans, verification reports, and other documents are filed in the PBF Docket and available for public access and review.

#### 2.4.3 Phase 1 Grid Modernization Strategy (PUC Docket No. 2018-0141)

This docket covers the first phase of the HECO Companies' Grid Modernization Strategy, including the acquisition and deployment of advanced meters, a meter data management system, a telecommunications network, and related matters. Under this docket, the Commission has required the HECO Companies to make meter data available to all customers, via the customer portal, in Green Button format and encouraged the HECO Companies to collaborate with the State Energy Office, the Counties, the Consumer Advocate, and the University of Hawai'i, to ensure they have ready access to aggregated, anonymized electricity usage data.

#### 2.4.4 Distributed Energy Resources Policies (PUC Docket No. 2019-0323)

In September 2019, the Hawai'i Public Utilities Commission opened Docket No. 2019-0323 to investigate the technical, economic, and policy issues associated with distributed energy resources ("DERs") and rate design, as they pertain to the Hawaiian Electric Companies. Docket No. 2019-0323 is divided into three tracks, covering topics in 1) Advanced Rate Design ("ARD"), 2) DER Programs, and 3) Technical issues. Hawaiian Electric launched enrollment for the Smart DER Tariff and Bring-Your-Own-Device ("BYOD") on April 1, 2024.

#### 2.4.5 Energy Equity and Justice (PUC Docket No. 2022-0250)

The Commission opened the Energy Equity & Justice docket to investigate how to better integrate equity and justice considerations across Commission proceedings and the Commission's work more broadly, including in its role overseeing and regulating functions of the PBFA and public utilities. The Commission strives not only to address energy equity generally, but to ensure that existing energy inequity is not exacerbated or overlooked during the renewable energy transition.

#### 2.4.6 Energy Efficiency Portfolio Standard (HRS § 269-96 and PUC Docket No. 2010-0037)

The 2009 session of the State Legislature enacted Act 155, which provides that the Commission establish an EEPS that will maximize cost effective energy efficiency programs and technologies. Based on utility sales forecast and a goal of a 30% reduction

due to energy efficiency, a statewide EEPS goal of 4,300 gigawatt hours by 2030<sup>18</sup> was established.<sup>19</sup>

In Docket No. 2010-0037 (EEPS Docket), the Commission approved an EEPS framework<sup>20</sup> and ordered the formation of a Technical Working Group. This docket has since closed; however, the EEPS Technical Working Group continues to meet on a periodic basis to review and discuss EEPS-related initiatives. More information, including recent meeting notes and presentations, can be found at [www.HawaiiEEPS.org](http://www.HawaiiEEPS.org).

In December 2023, pursuant to HRS § 269-96, the Commission submitted a five-year interval report to the [2024 Legislature on Hawai'i's Energy Efficiency Portfolio Standard](#)<sup>21</sup>. This report documented progress towards reaching interim and long term EEPS goals. In August of 2020, the Commission completed a revised State of Hawai'i Energy Efficiency Potential Study<sup>22</sup> ("Potential Study") that incorporated updated baseline data and technology information. The Potential Study shows that the interim EEPS target was met through 2018 and the 2030 target is projected to be achievable under a business-as-usual scenario (4,637 gigawatt hours). However, the Potential Study includes the caveat that programs and policy interventions may have to adapt strategically to offset possible losses due to a post-COVID-19 energy efficiency landscape in order to secure enough savings by 2030. The next Potential Study is anticipated to be completed in 2026.

## 2.5 Institutional Context

Prospective Offerors should understand the roles and responsibilities of a number of stakeholders in the State regulatory system, and their relationship to the Program. The Commission describes the roles of various participants in the delivery of energy efficiency services in the PBF Docket and the DSM Docket.

### 2.5.1 Hawai'i Public Utilities Commission

The Commission is a State agency administratively attached to the Department of Commerce and Consumer Affairs, and is responsible for regulating public electric and gas utilities, motor carriers, private water carriers, and private water and wastewater companies. Pursuant to HRS § 269-121 and -122, the Commission established the PBF and may contract with a Program Administrator that will be subject to regulation by the

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<sup>18</sup> The Commission and stakeholders have supported bills in the 2023 and 2024 legislative sessions proposing to extend EEPS beyond 2030. These bills did not pass in session, but the Commission, in collaboration with the TWG, will continue to explore and pursue the EEPS extension initiative.

<sup>19</sup> HRS § 269-96(a) and -96(b).

<sup>20</sup> See Docket No. 2010-0037, D&O 30089, filed January 3, 2012.

<sup>21</sup> State of Hawai'i Public Utilities Commission. December 2023. *Report to the 2024 Legislature on Hawai'i's Energy Efficiency Portfolio Standards* <https://puc.hawaii.gov/wp-content/uploads/2024/01/2024-PUC-Report-EEPS-12.28.23-FINAL.pdf>

<sup>22</sup> Applied Energy Group, Inc., *State of Hawai'i Energy Efficiency Potential Study*, Walnut Creek, CA, August 5, 2020. <https://puc.hawaii.gov/wp-content/uploads/2021/02/Hawaii-2020-Market-Potential-Study-Final-Report.pdf>

Commission. The Commission also maintains contracts with a Fiscal Agent and a Contract Manager for the purposes of the Program.

#### 2.5.2 Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (DCA)

The DCA serves to represent, protect, and advance the interests of all consumers of utility services in the State. The division has been involved in the proposal of energy policy and advocacy for energy efficiency programs. The DCA also evaluates the utilities' services and performance, reviews proposals for service modifications and new programs or services, and makes recommendations to the Commission, as appropriate.

#### 2.5.3 EEM Contract Manager

The Contract Manager (also known as the "Energy Efficiency Manager" or "EEM") is an independent contractor to the Commission. The EEM Contract Manager assists the Commission with the development and administration of the Program Administrator Contract and facilitates and consults with stakeholders and the Commission to propose multi-year plans and budgets for Commission review and approval. The EEM Contract Manager also manages the Commission-approved independent evaluations of the Program.

The EEM Contract Manager serves as the Commission's primary liaison with the Program Administrator during the term of the Contract. The EEM Contract Manager will provide overall direction during the Contract term and monitor and assess the Program Administrator's performance. The EEM Contract Manager will monitor and report to the Commission the status of the Program Administrator's work and review all reports and deliverables submitted by the Program Administrator.

The EEM Contract Manager duties include the following:

1. Review of the Program Administrator's compliance with the terms of its Contract, including the Program Administrator's progress towards meeting the Performance Indicators;
2. Review and approval of the Program Administrator's monthly invoices;
3. Review of all reports by the Program Administrator;
4. Mediation regarding disputes and complaints about the Program Administrator (except any disputes between the Commission or the Consumer Advocate and the Program Administrator);
5. Review and approval of Program implementation procedures;
6. Meeting organization and facilitation; and
7. Regular communication with the Commission and the Program Administrator.

#### 2.5.4 Fiscal Agent

The Fiscal Agent is an independent contractor to the Commission who assists the Commission with the financial management of the Program. The primary responsibility of the Fiscal Agent is the receipt of PBF moneys from the HECO Companies, and

disbursement of PBF moneys under Commission direction. The Fiscal Agent reports directly to the Commission and provides the Commission with monthly and annual financial statements and accounting reports.

#### 2.5.5 Technical Advisory Group

The Technical Advisory Group (“TAG”) is comprised of representatives from the Program Administrator, the DCA, the HECO Companies, and other interested energy efficiency stakeholders, as determined by the Commission Chairperson. The TAG assists the EEM Contract Manager and Commission in the following areas:

1. Development of periodic evaluation plans for the portfolio of energy efficiency programs;
2. Review of evaluation studies;
3. Review and input on a Technical Reference Manual; and
4. Review and input on EM&V protocols used to measure and verify Program impacts.

#### 2.5.6 Technical Working Group

The Technical Working Group (“TWG”) was established through the EEPS Docket (PUC Docket No. 2010-0037) in 2010 and is comprised of both Commission-regulated and non-regulated entities in the EEPS reporting process. The TWG convenes periodically to examine, evaluate, and report on EEPS-related issues, including but not limited to, market potential studies and making recommendations regarding prioritizing savings strategies for the portfolio.<sup>23</sup>

### 2.6 Scope of Services Overview

The qualification requirements, possible duties, and responsibilities of the Program Administrator are outlined in HRS § 269-123, “Requirements for the public benefits fee administrator”, for energy efficiency, and in HRS § 269-72 and -73 for the EV Charging Station (EVCS) rebate program. These requirements and responsibilities underlie the scope of services detailed in this section.

The Program Administrator's scope of services includes the plan and design, implementation, and ongoing delivery of the Program energy efficiency, DSM, and EVCS services, to achieve the Program objectives. This scope of services work is categorized under three key tasks:

1. Program Transition;
2. General Administration; and
3. Services and Initiatives.

The Commission is open to a variety of approaches that could be used to achieve Program objectives, including innovative Program services, and various management

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<sup>23</sup> TAG and TWG meeting notes and materials are available at HawaiiEEPS.org website.

structures that will motivate performance and provide cost effective results. This could range from a structure in which most Program services are provided by in-house personnel, to an "umbrella" structure in which the Program Administrator functions as a coordinator or manager, and issues competitive solicitations for Program ideas and service delivery. The Program Administrator may deliver services using its own staff or subcontractors or a combination thereof.

The Program Administrator shall also provide ongoing redesign and modification of these services and propose improved services for Commission review. The Program Administrator is responsible for gathering and compiling relevant data in order to demonstrate the effectiveness of its programs. The following sections describe the Program Administrator's responsibilities, scope of services, and business functions.

## **2.7 Program Key Tasks**

The Commission envisions that the scope of services described in this RFP will serve as guidelines for successful Program planning, administration and implementation, and achievement of Program objectives. The Commission re-states that while energy efficiency is and shall remain the Program's primary focus, the Program has, in recent years, provided services beyond purely energy efficiency, through DSM support and electrification of transportation (EoT) activities. In the Triennial period PY22-PY24, the Program includes grid services ready/demand response-ready and EVCS incentives.

The Commission welcomes innovative, strategic offerings, however, the Commission envisions that any Program DSM activities must leverage energy efficiency services (EVCS incentives excepted). Additionally, the Commission notes that all Program offerings must be planned and offered in collaboration and coordination with other energy programs as well as relevant stakeholders, providers, and the utilities. The Program Administrator must recognize and maximize the collaboration and coordination opportunities afforded by the Program, and must design the Program to minimize duplication, and leverage relationships and opportunities.

## **2.8 Program Transition**

### **2.8.1 Contractor Transition**

The Commission expects the incoming Program Administrator to work with the incumbent Program Administrator to accomplish as smooth a transition as possible within a reasonable timeframe as determined by the Commission and/or the EEM Contract Manager. The Offeror must provide a detailed plan to manage the transition of the Program between Program Administrators, in such a way as to minimize confusion among customers, suppliers, trade allies, vendors, design professionals, engineers, and other market actors.

Additionally, if the Offeror proposes significant changes from the existing Program services and initiatives, the Offeror's proposal must describe the Offeror's plans for transition.

Lastly, the Program Administrator will be responsible for processing incentive commitments for projects with long-term time horizons (such as custom or new construction projects) and purchases of rebate-eligible items (such as appliances<sup>24</sup>) made by the previous program administrator. The Program Administrator must honor these commitments according to the terms, incentive rates, and processes of the previous program administrator, even if their new terms, incentive rates, and processes are different. This responsibility includes conducting post-installation verification inspections and/or project measurement and verification. The Offeror should account for these costs (both incentives and administration) in their budgets.

### 2.8.2 Future Transition

If the Program is terminated or transferred to another entity on any future date, the Program Administrator shall cooperate with and assist with any such transition process, with minimum disruption to the Program. This obligation shall include, without limitation, the sharing and transfer of data and management information systems. The Program Administrator shall be allowed to recover reasonable costs incurred to date, if terminated for convenience.

## 2.9 General Administration

As an independent entity, the Program Administrator is responsible for the development and monitoring of its own management and operational systems. The General Administration scope and budgets apply to activities that serve the overall Program needs rather than specific Program offerings. General Administration work includes the following tasks:

1. Budgeting and Financial Management;
2. Funding and Financing;
3. Resource Management;
4. Quality Assurance;
5. Information Technology and Data Management;
6. Marketing and Communications;
7. Dispute Resolution; and
8. Reports and Deliverables.

### 2.9.1 Budgeting and Financial Management

The Program Administrator must develop, monitor, and manage the annual and multi-year budget for its operation, within certain broad parameters established by the Commission that will be detailed in the Contract. These broad parameters may include fund-shifting limitations between residential and business services, and other spending requirements to address equity considerations. These parameters are likely to apply to

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<sup>24</sup> Under the current program rules, customers have up to 60 days from the time of purchase to submit a rebate application. Purchases made after May 1, 2025 and submitted after July 1, 2025 will be processed and paid by the new Program Administrator using PY25-PY27 funds, as appropriate.

the multi-year budget as a whole, and not necessarily to each estimated annual component of the multi-year budget.

While the Commission anticipates granting the Program Administrator considerable discretion to manage its budget on a multi-year basis, every year the Program Administrator shall present a revised estimated annual budget that reconciles with the multi-year budget, showing the expected budgets and associated goals for each Program year. Budgets should be based on an hourly rate for services, or where appropriate, a unit rate, e.g., data collection or travel, as well as material and other expenses, to be performed under the Contract. This detailed budget must include at least the following information:

1. Overview annual budget for Program Transition (where relevant), General Administration, and Services and Initiatives;
2. Budget break out into residential and business sectors, programmatic and incentives budgets, and per service territory;
3. Budget and labor rates for all staff, including clearly identified mark-ups, if any, on labor, including sub-contractor labor, and other services;
4. Specified labor hours for prime contractor staff, and sub-contractor staff, if any;
5. Materials and non-labor costs, including clearly identified mark-ups, if any, for processing such expenses;
6. Costs associated with meetings scheduled at the Commission offices during the Contract term;
7. Proposed treatment for an expanded budget, showing Program options in the event that additional funds are available; and
8. Proposed treatment for any unspent budget amounts.

Offerors may utilize an alternative mechanism for budgeting and goal setting, upon agreement with the Commission, with any alternative mechanism to be finalized in Offeror Contract. See Section 3.16 for further information about Budget and Cost Proposals.

### *Financial Management*

The Program Administrator must develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, and payments to subcontractors, Program implementers, employees, and, where relevant, customers. The Program Administrator must maintain financial and accounting records consistent with Section 2.9.5: Administrative and Financial Data, and with general accounting standards. The Program Administrator shall provide information and documentation required for annual fiscal audits performed by the Commission's fiscal auditor.

Consistent with the specific terms of its Contract with the Commission, on a monthly basis, the Program Administrator must prepare and submit detailed documentation and invoices for all Program costs to the Contract Manager for review in order to receive payment. All invoicing data along with proper supporting documentation must be kept by the Program

Administrator and made available to the Commission, the EEM Contract Manager, the Fiscal Agent, and the DCA upon request.

Offerors should be aware that the Program Administrator's invoices will be paid from the PBF moneys. These collections may vary from month to month, as electric consumption and rates vary. Collections may not always match the Program Administrator's expenses. Approved invoices will be paid in full, provided funds are available. However, if the Program Administrator's spending is ahead of PBF collections, the Program Administrator will need to carry costs until collections are sufficient to pay the backlog. In addition, invoices lag the Program Administrator's monthly expenditures. For both these reasons, it will be necessary for the Program Administrator to have access to working capital. The Program Administrator may expect to recover reasonably-incurred carrying costs associated with Program services as part of the total budget. Program Administrator may not recover carrying costs for invoices paid in accordance with Section 17.c of the General Conditions in Appendix 1.

### 2.9.2 Funding and Financing

The requirements for use of the PBF are detailed in HRS § 269-121. As part of Program services, the Program Administrator is expected to facilitate the development of independent funding mechanisms that leverage non-Program funds (such as matching grant funding, federal funding available through the Infrastructure Investment and Jobs Act, Inflation Reduction Act, and/or other funds), and/or promote financing for customer contributions.

The Commission and Program Administrator may mutually review and adjust the overall Performance Indicators if significant non-PBF funds are sourced and used by the Program Administrator.

### 2.9.3 Resource Management

The Program Administrator will solicit, hire, and/or contract with all necessary staff and subcontractors to effectively perform the Program Administrator scope of services. The Program Administrator is responsible for development of methods for managing the performance and compensation of these staff, subcontractors, and/or service providers.

The Program Administrator must maintain the administrative capability to manage these resources and ensure the completion of each task and sub-task effectively. The Program Administrator must develop and implement procedures to assign, monitor, review, and approve completed work, and to ensure contractors are compensated in a timely manner.

The Program Administrator will develop and oversee compensation levels and mechanisms for employees and for subcontractors and will collect and compile information for documenting performance. It will review, approve, and pay subcontractor, service provider, and other service-related expenses in a timely manner.



The Program Administrator is recommended to prioritize local resources, both for staff and subcontractors, over mainland resources, particularly for key personnel, customer-facing roles, and stakeholder-engaging initiatives. Offerors should anticipate that the Commission's Contract with the Program Administrator will set expectations for the optimal/minimum level of staff and subcontractors that are located within the State of Hawai'i.

#### 2.9.4 Quality Assurance

The Program Administrator will develop and maintain quality assurance standards and tracking and monitoring mechanisms, ensuring that both direct employees and subcontractors apply the quality assurance standards and methods set forth by the Program Administrator. The Program Administrator must ensure that such standards and tracking and monitoring mechanisms are operating effectively.

#### 2.9.5 Information Technology and Data Management

The Program Administrator is responsible for the development and maintenance of an information management system for the Program. Information in this system should include, but is not limited to, tracking data about Program services, Program operations, financial and management data, and information required for reporting and deliverables tasks. The Program Administrator will also provide data and information support for the independent evaluation of the Program. The system should have the ability to produce ad-hoc reports for periodic information requests from the Commission, the Contract Manager, the Fiscal Agent, and the DCA.

The Program data is the property of the State and shall be maintained in a relational database format and be organized such that a Commission-approved third party can access and utilize necessary information for performing Program assessment tasks. Program databases shall be accompanied by current, clear documentation describing data fields, database structures and interactions, and other information sufficient to enable a third-party to understand, access, use and transfer data.

The current Program database and tools will be available to the incoming Program Administrator. The Program Administrator shall be responsible for any monthly operational fees and duties to either continue operation of the database, or transition to another system that shall provide substantially similar tasks, reports and functionality.

#### *Managing Customer-Specific and Competitively Sensitive Information*

The Program Administrator must develop, manage, and maintain systems that provide appropriate protections in the collection, processing, storage and retrieval of information that is customer-specific or could provide an unfair competitive advantage to an entity delivering services outside of the Programs approved by the Commission for Program Administrator implementation. The Program Administrator is responsible for managing such systems, and when appropriate, providing the information to subcontractors, regulators, approved third-parties, and utilities. Accordingly, the Program Administrator must develop and maintain a process with clearly defined standards and safeguards to

govern the sharing of that information with subcontractors, regulators, approved third-parties, and utilities to ensure customer and participant confidentiality is maintained and entities are not provided an unfair competitive advantage. Appropriate non-disclosure agreements shall be executed with the utilities for protection of customer-specific information.

#### *Program Data Collection*

The Program Administrator must collect and electronically compile any data required by the Program for development, implementation, monitoring, assessment, reporting and evaluation. The Program Administrator will coordinate, manage, and secure such Program data from subcontractors, the State utilities, and other appropriate entities. The Program Administrator will ensure that data definitions, formats, collection, processing, storage, and retrieval procedures used by it and any subcontractors or agents are consistent, and result in an integrated and easily accessible, consistent set of data. Such data may include hourly energy consumption and avoided cost data (8760 periods per year) and in some cases even more granular data for certain program measures.

All Program data, including that from subcontractors, shall be collected and stored electronically in a consistent format, including but not limited to the following categories:

1. Customer/Client Data, including prospective clients;
2. Customer Usage Data;
3. Program Measures and Services Data;
4. Trade Data;
5. Baseline and Market Indicator Data; and
6. Other Data for Evaluation Purposes.

#### *Program Data Analysis*

The Program has been combining and analyzing data for numerous purposes, including EM&V, and for Program modification and improvements. The Commission endorses this work and expects that the Program Administrator shall continue to use data for purposes including, but not limited to: results comparison and analysis, Program EM&V, development of research and Program strategies, for Program modification and improvement, and to collaborate with other stakeholders, entities or providers, including the State utilities. The Commission envisions that the data use and analysis tasks will assist in the identification and characterization of market segments, and ultimately development of innovative scalable, sustainable programs and services. As the HECO Companies continue to deploy their advanced metering infrastructure (AMI), these data analysis tasks will be conducted using interval data at the data increments available (hourly or possibly 15-minute) and may include analysis of or affected by customer participation in time of use (TOU) rates.

#### *Administrative and Financial Data*

The Program Administrator shall keep records of administrative and financial data consistent with the needs outlined in this Section 2, Scope of Services, and with Generally

Accepted Accounting Principles ("GAAP") as defined by both the Governmental Accounting Standards Board and the Financial Accounting Standards Board. This includes systems to track general project management, invoicing, payroll and subcontractor payments, and to produce the necessary reports for monitoring these tasks.

#### 2.9.6 Marketing and Communications

The Commission believes that awareness of the Program will catalyze education, participation, and ultimately transformation that yields energy savings and/or other benefits. Hence, the Program scope of services includes developing Program brand awareness and recognition amongst Hawai'i residents and businesses. The Program Administrator must develop and implement a public and consumer information strategy to achieve the following goals:

1. Promote market awareness of Program services;
2. Increase awareness and understanding of the benefits of energy efficiency and DSM both for participants and non-participants;
3. Increase participation and demand for energy efficient products and services; and
4. Affect decision-making in customer-driven energy efficiency choices.

The Program Administrator will leverage the existing Hawai'i Energy brand for their marketing and communication strategy. This includes using the Hawai'i Energy logo, style guide, and website ([www.hawaiienergy.com](http://www.hawaiienergy.com)). The Program Administrator shall have no legal claim on the Hawai'i Energy brand and shall not trademark or otherwise claim it.

The Program Administrator shall provide advertising for the Program, including informational brochures and promotional items, production and airing of public service announcements, and utilization of media outlets to promote Program awareness. At a minimum, the Program Administrator must provide the following:

1. A toll-free number;
2. A website, describing services available to customers;
3. Effective customer response and referral procedures; and
4. A system for addressing and resolving customer complaints efficiently and effectively.

The Commission anticipates that, to the extent possible, the current Hawai'i Energy website/URL and telephone numbers will transfer to the successful bidder. The successful bidder should anticipate assuming these contracts and services.

#### 2.9.7 Dispute Resolution

Working with the DCA, the Contract Manager, and the Commission, the Program Administrator will develop protocols for dispute resolution. The Program Administrator must plan how to address any Program Administrator performance complaints from Program stakeholders including participants, subcontractors, and trade allies. The

protocols must include notification to stakeholders of their right to appeal to the Contract Manager and, if they are still unsatisfied with the proposed outcome, their right to petition the Commission for relief.

The Program Administrator will participate fully, promptly, and in good faith in these dispute resolution processes.

#### 2.9.8 Reports and Deliverables

The Program Administrator duties includes the timely submission of planning and reporting deliverables. The specific formats and any proposed content changes shall be subject to the approval of the Contract Manager and Commission.

Program reports shall build upon each other, to minimize administrative burdens. For example, financial comparisons shall have a similar format in the monthly and Annual Reports, and monthly Reports shall be expanded into Annual Reports, through the addition of more comprehensive information. The Program Administrator will respond promptly and participate fully in the review of all reports submitted to the Commission, Consumer Advocate, Contract Manager, and Fiscal Agent.

#### *Triennial Plan*

Every three years, with input from the EEM Contract Manager and the Commission, the Program Administrator will prepare and submit a Triennial Plan to the Commission, the DCA, and the EEM Contract Manager. The Triennial Plan will detail the Program goals, strategies, plans and budgets for resource programs, market transformation and other Program services and activities for the coming three years. The planned Program services shall be presented as part of an integrated strategy for achieving the Program objectives. The Triennial Plan may be detailed in terms of the two primary market sectors, residential and business. The Triennial Plan should include discussion and justification regarding any proposed deviations from the initial target goals. The current Triennial Plan details the Program objectives for the three-year period PY2022 to PY2024<sup>25</sup>, including quantified energy savings, peak demand savings, and other targets for customer equity, cost-effectiveness, and market transformation.

During development of each Triennial Plan, the Program Administrator should capitalize on the following resources:

1. The Program's experience and evaluation results;
2. The Program Administrator's knowledge of regional and national information regarding energy efficiency technologies and opportunities;
3. The Program Administrator's formal Quality Assurance system (including participant satisfaction/feedback records);

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<sup>25</sup> See PY22-PY24 Triennial Plan [https://hawaiienergy.com/wp-content/uploads/PY22-24\\_Triennial-Plan.pdf](https://hawaiienergy.com/wp-content/uploads/PY22-24_Triennial-Plan.pdf)

4. Technical Advisory Group consultation and/or inputs; and
5. Feedback from any stakeholders that the Program Administrator interacts with over the year, including:
  - a. Subcontractors;
  - b. EM&V Contractor;
  - c. Program Participants;
  - d. Commission Staff;
  - e. Contract Manager;
  - f. HECO Companies;
  - g. KIUC (particularly in the EVCS Rebate Program work scope)
  - h. Business, Professional and Trade Associations; and
  - i. Trade Allies.

After contract award, the Program Administrator will be required to develop a Triennial Plan for PY25 to PY27 with sufficient time for review and approval by the Commission prior to the start of PY25, including a public presentation and comment period. The Program Administrator will work with the Commission and the EEM Contract Manager to develop a schedule for this process.

#### *Monthly Reports*

The Program Administrator shall prepare and submit monthly reports to the Commission and the Contract Manager. Monthly reports are considered to be activity monitoring reports and shall quantify the progress towards achieving the Program's objectives, including energy savings targets. Monthly reports must include the following information:

1. Actual expenditures versus budgeted amounts, broken out for Program Transition, General Administration, and Services and Initiatives key tasks; residential and business sectors, and per service territory. EVCS incentives and administration shall be tracked and reported separately from PBF incentives and activities;
2. Estimated energy savings (first-year and lifecycle MWh, MW) and TRB achieved;
3. Progress towards other Program and performance goals;
4. Changes in staffing or staffing levels;
5. Changes to program rules, requirements, and/or incentive levels;
6. New programs, program elements, and/or major marketing and outreach campaigns launched during the month; and
7. Documentation and resolution of any disputes.

#### *Annual Reports*

The Program Administrator will prepare and submit Annual Reports to the Commission, EEM Contract Manager, and the DCA. Annual Reports must include, at minimum:

1. Actual and budgeted expenditures, broken out for Program Transition, General Administration, and Services and Initiatives key tasks, for Residential and Business programs, and per service territory;
2. Program customer incentive payments;

3. Report of Program achievements and highlights for the year, including any significant changes in strategies or services and indirect savings acquisition activities;
4. Achievement of Program goals and objectives including energy savings targets; and
5. Achievement of Program Performance Indicators and Performance Award amounts.

#### *Technical Reference Manual*

Unless otherwise notified, the Program Administrator shall support the annual revisions to the Technical Reference Manual (“TRM”)<sup>26</sup> with mid-program year updates when needed. The TRM is a comprehensive list of all measure characterizations, assumptions used for determining measure eligibility, approved calculation methods for custom projects, and cost-effectiveness for all existing programs.

The EM&V contractor updates the TRM annually (sometimes with mid-program year updates). The Program Administrator shall support the update efforts by informing the EM&V contractor when new assumptions are used and/or when new services are implemented. They will also ensure that databases that generate Program savings values and/or reflect custom savings are consistent with the approved TRM for all reporting purposes.

#### *Utility Reports*

The Program Administrator will provide information to the HECO Companies for planning and ratemaking purposes, including working with the HECO Companies to provide project-specific data as necessary. On a regular basis, the Program Administrator will provide the HECO Companies with detailed information, including the following items:

1. Projected and actual annual energy savings (kWh, kW, TRB), by rate class;
2. Projected annual and actual monthly demand savings coincident with the utility annual peak system;
3. Actual MWh and MW energy savings based on the most recent evaluation study conducted within the service territory, for utility planning purposes; and
4. Load shape data as available.

The information provided to the HECO Companies shall be limited to information created or maintained by the Program Administrator in the ordinary course of business.

#### *Information Requests*

The Program Administrator shall respond in a timely and complete manner to any information requests submitted by the Commission, the EEM Contract Manager, the

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<sup>26</sup> See TRMs on the Hawai'i Energy website: <https://hawaiienergy.com/about/information-reports/>

Fiscal Agent, the Fiscal Auditor, and the DCA regarding Program budgets and expenditures, performance, and activities.

## **2.10 Services and Initiatives**

The Program Administrator will be required to design, develop, and implement Program services, including but not limited to energy efficiency and DSM services and initiatives, directly, through subcontractors, or in partnership with stakeholders. The Program Administrator shall develop methods to ensure that the Program services address the Program objectives, and that the Program funds are spent effectively. The Commission seeks a Program that is strategic, effective, and efficient, able to perform with flexibility and innovation, and employs prudent use of PBF funds.

Services and Initiatives key tasks include the following:

1. Program Planning;
2. Program Implementation; and
3. Coordination and Collaboration.

### **2.10.1 Program Planning**

The Program Administrator will have primary responsibility for the development, administration, and revision of Program services, including discontinuing existing services and offering new services, when appropriate. The Program Administrator will have broad discretion in the design of Program offerings, provided the Program Administrator is making appropriate progress towards achieving its Performance Indicators and goals, and continues to serve all relevant markets, including hard-to-reach markets. On an annual basis the Program Administrator will review the Program services, strategies, and results, to iterate the Program for improvement.

The Program plans are documented in the Triennial Plans, which include Program budgets.

### **2.10.2 Program Implementation**

Program implementation includes the day-to-day delivery of the Program to achieve Program objectives. This includes the tasks required to serve customers, contractors, and the State's EEPS goals, and coordination and collaboration with market entities, State utilities, and relevant stakeholders to leverage relationships and work.

The current Program includes new initiatives as well as proven, established programs. Program offerings are continually assessed for opportunities to improve. The Program offerings may include, but are not limited to, rebate and incentive programs, energy efficiency advisement and planning, financing options, pilots aimed at developing scalable market solutions, and other initiatives and services, coordinated and/or offered with utilities located or operating in Hawaii, and other market entities and providers as relevant.

The Program objectives for the PBF funds are listed in Section 2.2 as energy savings, peak demand reductions, customer equity, cost effectiveness, and market transformation. The following section provides information and context on the Program objectives, including the evolution of the Program objectives, and some current Program offerings related to the objectives. Offerors should not feel encumbered by the existing Program offerings. The Commission encourages Offerors to propose innovative programs, services, processes and systems for Program Implementation.

### *Energy Savings*

The achievement of energy savings is a key Program objective and central to the scope of services. The PBF and Programs serve the clean energy goals of the State, which include the EEPS and Renewable Portfolio Standard. The current Program quantifies a certain amount of energy savings to be achieved per Program Year and achieves energy savings via Program offerings including incentive programs and direct install offerings, education and programs, and energy advisement services.

Offeror's proposed energy savings should deliver, at a minimum, the substantial contribution towards meeting Hawai'i's statewide EEPS goal of 4,300 GWh of energy savings in 2030. The PBF Program Administrator is the primary contributor to the state's EEPS target, delivering 80% of the interim goal<sup>27</sup> for the first EEPS Performance Period (2009-2015)<sup>28</sup> and 79% of the interim goal for the second EEPS Performance Period (2016-2020).<sup>29</sup>

Offerors should note the following:

- If the 2030 EEPS goal is modified or increased in the future or the next Potential Study indicates that higher levels of savings are required to reach the 2030 EEPS goal, then the PBFA targets and budgets will likely be adjusted accordingly; and
- The EEPS targets are expressed as system, or gross generated, energy savings. However, the savings values in the Technical Reference Manual are at the customer, or gross at the meter, savings level. Offerors should carefully review the net-to-gross ratios (set at the program level) and the system loss factors (per island) in the Technical Reference Manual to ensure that the customer-level savings values are correctly converted to system-level savings.

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<sup>27</sup> The EEPS includes four interim performance periods of five to six years each with corresponding interim goals. These interim goals are 1,375 GWh for the first performance period and 975 GWh for the each of the second, third, and fourth performance periods.

<sup>28</sup> State of Hawai'i Public Utilities Commission. December 2018. *Report to the 2019 Legislature on Hawai'i's Energy Efficiency Portfolio Standards* at 3.

<sup>29</sup> State of Hawai'i Public Utilities Commission. December 2023. *Report to the 2024 Legislature on Hawai'i's Energy Efficiency Portfolio Standards* at 13.



### *Peak Demand Reduction*

PUC Decision and Order No. 23258 listed peak demand reduction as inclusive of overall demand reduction, targeted peak reduction, targeted geographical load reduction, and load shifting.<sup>30</sup> The current Program quantifies demand reductions to be achieved per Program year.

DSM offerings should target the State's evolving energy and planning challenges. Such work may include programs to develop demand response, demand flexibility, and renewable energy integration capability. For example, a DSM offering may include collaborating with other stakeholders and/or providers to shift load and to integrate more renewable energy during supply peaks as well as to reduce the evening demand peak.

The implementation of DSM activities shall be complementary to the offering of energy efficiency Services and Initiatives. This work includes collaborating and/or coordinating with other entities including the State utilities, to offer relevant programs and services that minimize duplication and leverage existing work and relationships.

### *Customer Equity*

Customer equity, as described in PUC Decision and Order No. 23258, includes providing all classes of customers the opportunity to participate in the programs.<sup>31</sup> Program implementation activities must account for a range of customers and market segments.

The current Program offerings aim to provide the HECO Companies customers on each island the opportunity to participate in the Program. Implementation activities intended to address customer equity may offer Services and Initiatives across geographical divisions, customer classes, and other market segments as identified by the Program Administrator.

In the current Program, the PBF spending reflects the collection of the PBF in two ways: 1) as a distribution across customer rate class, with a residential and commercial/industrial customer split of 41% residential and 59% commercial/industrial customers; and, 2) as a distribution across HECO Company customers - for every dollar contributed to the PBF, a dollar is returned to its service territory of origin through the Program. The current Program allows some flexibility in the budgeting for customer equity objectives, allowing certain target markets, and/or flexibility of budgets within a range or over a number of years.

### *Cost Effectiveness*

Cost-effective use of the PBF moneys is a very high priority for the Commission. While PUC Decision and Order No. 23258 listed cost-effectiveness as a DSM Program objective, noting that it may sometimes be at odds with customer equity,<sup>32</sup> the Commission believes that the Program Administrator will be able to leverage funds and

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<sup>30</sup> Docket 2005-0069, D&O No. 23258 at 143.

<sup>31</sup> Docket 2005-0069, D&O No. 23258 at 143.

<sup>32</sup> Docket 2005-0069, D&O No. 23258 at 143.

seek opportunities to maximize effective use of the PBF. The Commission seeks a Program Administrator able to administer a cost-effective Program with a portfolio of objectives; such a Program will require Program Administrator innovation and flexibility to maximize Program results – or returns – on the public funds.

The current Program activities include the analysis, planning, and reporting of Program cost-effectiveness metrics, which include unit cost per energy savings, peak demand savings, and total resource benefit. Cost effectiveness is reported at Program portfolio level as well as per program, per measure type, and other sub-program level as mutually agreed upon with the Commission. Every year, the Program cost-effectiveness is re-evaluated and re-established through the budgeting process.

### *Market Transformation*

Market transformation activities seek to identify, assess, and help overcome market barriers that inhibit residents and businesses from adopting energy-efficient technologies and practices. The Commission recognizes market transformation, in the broader context, as fundamental, ongoing, and iterative change in decision-making, behavior, and action, in such a way as to produce desired Program objectives (for example, energy savings). Market transformation implementation services include but are not limited to the following focus areas:

1. Behavioral Modification;
2. Professional Development;
3. Technical Training;
4. Energy in Decision-Making Support; and
5. Support of Codes and Standards.

Market transformation offerings aim to effect larger scale changes that save energy over a three- to five-year time horizon.

The current Program's objectives tied to the EVCS rebate program administration include prioritization for charging stations that are publicly available, serve multiple tenants, employees, or customers; serve electric vehicle fleets; support the visitor industry in transitioning to clean transportation; or serve low-income, moderate-income, or environmental justice communities. The Program Administrator should ensure that the program requirements include enhancement of public clean energy and grid resiliency goals by supporting deployment of electric vehicle charging systems that can regulate their time of use, be networked and co-optimized with other electric vehicle charging systems, and otherwise provide grid services or other benefits to the utility and electric grid. Objectives may continue to be developed in future years of program implementation.

### 2.10.3 Coordination and Collaboration

The Program Administrator will coordinate and collaborate with entities, such as utilities located or operating in Hawai'i, vendors, builders, contractors, trade associations, design professionals, governmental organizations, and other stakeholders, for the purposes of

leveraging work, reducing duplication, fostering innovation, and efficiently delivering energy efficiency and DSM services in Hawai'i.

The Program Services and Initiatives are part of the State's clean energy plan<sup>33</sup>, and the Program Administrator will coordinate its Program efforts with other public and private program efforts, at the local, state, regional, and national levels, to address structural market deficiencies related to the adoption of cost-effective energy efficiency measures and practices, including advocating for building codes and appliance standards adoption and compliance.

The Program Administrator's coordination and collaboration efforts may include education and training of entities and/or market participants, subcontracting for the delivery of services, cooperation regarding service delivery, and/or other means of coordination and collaboration. The Program Administrator shall also provide the data and information necessary to support the evaluation of market conditions, available DSM potential, and the independent evaluation of the Program.

Other local, state, regional or national initiatives and/or organizations may emerge in the future. The Program Administrator will be expected to evaluate the potential benefits of those efforts, coordinate with entities as necessary, and support and participate as necessary, under Commission direction.

Offeror should be aware of the following initiatives currently under development that the Program Administrator will be required to support:

- Inflation Reduction Act ("IRA") programs: The State Energy Office is responsible for the implementation of the IRA-funded programs. The Program Administrator will be required to coordinate with the selected implementer(s) of the IRA-funded programs, to the extent possible, to maximize participation in all programs and benefit to the State while minimizing customer and market actor confusion.
- Affordable Green Housing Retrofit Program ("AGHRP"): The City and County of Honolulu is currently leading a multi-agency effort to develop a one-stop-shop program targeting comprehensive energy efficiency and renewable energy retrofits of multi-family affordable housing on O'ahu. The Program Administrator will be responsible for implementing the AGHRP within Hawaiian Electric territories. The AGHRP will be designed to leverage federal and other non-PBF funding to the maximum extent possible, but it is expected that some PBF funding will be needed to support the program. The AGHRP will leverage IRA funding administered through the State Energy Office. Neither the PBF funding levels needed nor the expected energy savings (that will contribute to the Program targets) are known at this time.

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<sup>33</sup> The Hawaii State Energy Office website provides information and resources on the State's clean energy plan: <https://energy.hawaii.gov/what-we-do/clean-energy-vision/>

- **Building Performance Standards:** The state is investigating a possible building performance standard for commercial and multifamily buildings. If adopted, the Program Administrator would be expected to support customers pursuing compliance with incentives, support, and possibly a tailored offering for those who qualify.

#### *Utility Integrated Grid Planning and Coordination*

The Program Administrator will be required to actively participate in the IGP process (including docket activities when appropriate)<sup>34</sup>. Pursuant to the Framework for Integrated Grid Planning, the utility companies are required to develop, prepare, and submit their IGP and program implementation schedule to the Commission.<sup>35</sup> The Program Administrator shall provide DSM forecasts of energy and capacity savings for use by the HECO Companies and other stakeholders. DSM forecasts shall include short term (life of contract) and longer term 20-year horizon forecasts based on reasonable expectations as provided by Program Administrator.

In determining this optimum mix, stakeholders will consider the Program Administrator’s existing and planned energy efficiency programs in striving to meet EEPS objectives<sup>36</sup>, and set Program goals accordingly.

The Program Administrator will cooperate actively in the identification and prioritization of information needs, the exchange of information, and the timing of work products with the Commission and other entities as necessary to effect strategic planning, multi-year Program planning and budgeting, market assessment, and Program evaluation.

Additionally, the Program Administrator will coordinate with the HECO Companies, for ratemaking purposes. See Section 2.9.8, Reports and Deliverables: Utility Reports.

### **2.11 Compensation**

The Contract compensation amount is up to \$130,000,000 for the first Contract term. The compensation amount is linked to the PBF collection amounts. The Program budget is impacted by the GIF and any returns from the GEMS Program.

Recognizing that there is uncertainty associated with the Program Budget, the Offeror may propose a budget and cost proposal based on a budget of Program options and/or services, totaling no more than \$130,000,000. For more information on preparing a cost and budget proposal, see Section 3.16, Budget and Cost Proposal.

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<sup>34</sup> See IGP Docket No. 2018-0165.

<sup>35</sup>Section III.B.2 of the IRP Framework provides in relevant part that “[e]ach utility shall conduct a major review of its integrated resource plan every three years. In such a review, a new 20-year time horizon shall be adopted, the planning process repeated, and the utility’s resource programs re-analyzed fully.”

<sup>36</sup> HRS § 269-92.

Payment to the Program Administrator will be made on time and materials basis,<sup>37</sup> not-to-exceed the total amount of the Contract. Billings shall include labor rates, materials and expenses, and invoices showing the cost for tasks, materials and/or procured services. The Commission and the State shall not be liable or responsible for any compensation to the Program Administrator for the services provided under its proposal or in this Contract that exceeds the total Contract amount. The Program Administrator shall be paid in accordance with the State's General Conditions, Billing Requirements, and Travel Guidelines.

Offerors must understand that their ability to be reimbursed will be limited to the PBF moneys actually collected, and Offerors should note that the PBF moneys are also used to pay for the services of the EEM Contract Manager, EM&V Contractor, Fiscal Agent, and fiscal auditor. The final Contract amount will be determined by the Commission.

#### 2.11.1 Performance Indicators

The Performance Indicators play an important role in the planning, conduct, and assessment of the Program activity, and will be incorporated as benchmarks in the Program Administrator's Contract with the Commission.

The Commission aims to achieve a balance amongst the multiple Program objectives, including: maximizing energy and peak demand savings and total resource benefits, achieving broad and equitable participation, and overcoming market barriers and transforming markets so that high-efficiency, cost-effective solutions are broadly utilized. The Performance Indicators, as mutually agreed-upon by the Program Administrator and the Commission, may be used to assess the progress of the Program Administrator's efforts, assist in Program evaluation, and reflect the Program areas of focus, while encouraging Program Administrator performance.

The current Program Administrator contract includes Performance Indicators for first-year and lifecycle energy savings, demand savings, total resource benefit, island equity, and market transformation. The Performance Indicators for resource acquisition include both minimum and target goals, which are negotiated with the Commission for each triennial period, as part of Triennial Plan development. At the conclusion of each Program Year, the Program Administrator submits to the Commission and EM&V contractor a Performance Award claim, which details the Program Year results in terms of Performance Indicators. The Performance Indicator results and Performance Award claims are verified annually by the third-party EM&V contractor.<sup>38</sup>

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<sup>37</sup> Time and materials billing applies to the scope of services described in this section and categorized under the three key tasks: 1) program transition; 2) general administration; and 3) services and initiatives, but is not a requirement for the Performance Awards described in Section 2.11.2.

<sup>38</sup> HRS § 269-124(7) requires every three years "verification by an independent auditor of the reported energy and capacity savings and incremental renewable energy production savings associated with the programs delivered by the [Program Administrator]."

### 2.11.2 Performance Awards

The Performance Awards are a contractual, graded monetary tie to the Performance Indicators. The total Performance Award amount is distributed amongst the Performance Indicators. The current Program Administrator contract requires that the Program Administrator must achieve the minimum goal of a given Performance Indicator to access the Performance Award amount allocated to that Performance Indicator. As performance improves, the amount of Performance Award can increase linearly, until the maximum Performance Award amount is reached, with the caveat that the Program Administrator's total Performance Award amount may not exceed the total amount stated in the contract.

Offeror shall propose a Performance Award framework that shall be subject to contract negotiation.

### **2.12 Term of Contract**

The Successful Offeror shall be required to enter into a formal written State contract to commence work on this project.

The term of Contract shall begin on or about February 14, 2025 through March 31, 2029, with the option to extend, by mutual agreement, for one additional three-year period or any portion thereof. The Commission may terminate the Contract at any time, if in the best interest of the State.

### **2.13 Program Administrator Use of Subcontractors**

The Program Administrator may deliver the Program directly or through subcontractors or other partners. Given that the Program Administrator shall not be a State entity or agency, Offerors should be aware that the Program Administrator will not be required to adhere to State procurement procedures when engaging subcontractors. Nevertheless, any Program Administrator contract agreements with subcontractors must be consistent with prudent business practices, employ fair employment practices, and include adequate insurance coverage for all subcontractors, and shall comply with any and all applicable laws, rules, and ordinances.

### **2.14 General Responsibility to Comply with State Requirements**

Unless otherwise provided in this RFP, the Offeror will be responsible for obtaining all official licenses, approvals, clearances, and similar authorizations required by any local, state, or federal agency for the work to serve as the Program Administrator.

### **2.15 Legislative and Regulatory Change**

The Commission reserves the right to amend the requirements of the Program Administrator in response to statutory and/or regulatory changes.

## SECTION 3 – PROPOSAL FORMAT AND CONTENT

Offerors are required to present their proposals in accordance with this section. Proposals should be prepared simply and economically to provide a concise description of the Offeror's approach and capabilities for satisfying the required services outlined in this RFP.

It is important that proposals be complete. In the event an Offeror chooses not to respond to any section of the response format, the Offeror should then, in place of the appropriate section, indicate its reason for the omission of a response. In addition, Offerors should address any and all anticipated difficulties and problem areas along with potential approaches to their resolution.

Offerors may make certain assumptions or use simplifying conditions in their proposals. However, those assumptions of conditions must be clearly identified and the rationale behind them fully explained.

### **3.1 Offeror's Authority to Submit an Offer**

The State will not participate in determinations regarding an Offeror's authority to sell a product or service. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product or service, the Offeror shall resolve that question prior to submitting an offer.

#### **3.1.1 Responsibilities of Selected Service Provider**

The Selected Service Provider will be required to assume responsibility for the life of the contract for all contractual activities, products, and deliverables identified in the RFP and offered in the Selected Service Provider's accepted proposal whether or not the Selected Service Provider directly performs or provides them.

Further, the Selected Service Provider will be considered to be the sole point of contact with regard to contractual matters. If it is known that a part of the work is to be subcontracted or provided by a third party, the Selected Service Provider's proposal shall include, at a minimum, the following information:

- a) List of all known subcontractors, manufacturers, and other providers of products or services;
- b) Names and addresses of all subcontractors, manufacturers, and other providers of products or services;
- c) Description of work to be subcontracted and products to be provided by third parties;

- d) Descriptive information concerning the organization of all subcontractors and third parties;
- e) Descriptive information about the previous relevant experience of all subcontractors and third parties and their proposed staffs;
- f) Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and third parties with the Offeror; and
- g) Explanation of any existing contractual relationships between the Offeror and subcontractors, or among subcontractors.

### **3.2 Required Review**

3.2.1 Before submitting a proposal, each Offeror must thoroughly and carefully examine this RFP, any attachment, addendum, and other relevant document, to ensure Offeror understands the requirements of the RFP. Offeror must also become familiar with State, local, and Federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.

3.2.2 Should Offeror find defects and questionable or objectionable items in the RFP, Offeror shall notify the PUC in writing prior to the deadline for written questions as stated in the RFP Schedule and Significant Dates, as amended. This will allow the issuance of any necessary corrections and/or amendments to the RFP by addendum and mitigate reliance of a defective solicitation and exposure of proposal(s) upon which award could not be made.

### **3.3 Proposal Preparation Costs**

Any and all costs incurred by the Offeror in preparing or submitting a proposal shall be the Offeror's sole responsibility whether or not any award results from this RFP. The State shall not reimburse such costs.

### **3.4 Tax Liability**

3.4.1 Work to be performed under this solicitation is a business activity taxable under HRS Chapters 237 and 238. Contractor is advised that they are liable for the Hawaii GET at the current applicable rate and the county surcharge rates (See 3.4.2). If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax-exempt status and cite the HRS chapter or section allowing the exemption.

3.4.2 Federal I.D. Contractor is advised that in addition to the current applicable rate, they are also liable for County surcharge on state tax under HRS §238-2.6. The following counties surcharge rates and effective dates are:



- City and County of Honolulu: 0.5% effective January 1, 2007 to December 31, 2030.
- County of Kauai: 0.5% effective January 1, 2019 to December 31, 2030.
- County of Hawaii: 0.25% effective from January 1, 2019 to December 31, 2019, and 0.5% January 1, 2020 – December 31, 2030.
- County of Maui: 0.5% is effective January 1, 2024 to December 31, 2030.

3.4.3 Federal I.D. Number and Hawaii General Excise Tax License I.D. are required. Offeror shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all sales made to the State.

### **3.5 Property of State**

All proposals become the property of the State of Hawai'i.

### **3.6 Confidential Information**

3.6.1 If an Offeror believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld from disclosure as confidential, then the Offeror shall inform the Procurement Officer named on the cover of this RFP in writing and provided with justification to support the Offeror's confidentiality claim. Price is not considered confidential and will not be withheld.

3.6.2 An Offeror shall request in writing nondisclosure of information such as designated trade secrets or other proprietary data Offeror considers to be confidential. Such requests for nondisclosure shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

### **3.7 Exceptions**

Should Offeror take any exception to the terms, conditions, specifications, or other requirements listed in the RFP, Offeror shall list such exceptions in this section of the Offeror's proposal. Offeror shall reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any. The State reserves the right to accept or not accept any exceptions.

No exceptions to statutory requirements of the AG General Conditions shall be considered.

### **3.8 Proposal Objectives**

3.8.1 One of the objectives of this RFP is to make proposal preparation easy and efficient, while giving Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective.

3.8.2 Proposals shall be prepared in a straightforward and concise manner, in a format that is reasonably consistent and appropriate for the purpose. Emphasis will be on completeness and clarity and content.

3.8.3 When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks described in this RFP and any supplemental tasks the Offeror has identified as necessary to successfully complete the obligations outlined in this RFP. The proposal shall describe in detail the Offeror's ability and availability of services to meet the goals and objectives of this RFP as stated in Section 2.

3.8.4 Offeror shall submit a proposal that includes an overall strategy, timeline and plan for the work proposed as well as expected results and possible shortfalls.

### **3.9 Approach to Proposal Preparation**

The Commission expects Offerors to propose the best way to achieve Program objectives, by providing clear, concise proposals demonstrating creativity, expertise, and experience. Offerors should propose market solutions and innovative options, quantified where possible by results, reports and/or other secondary sources including case studies. The Commission is interested in how Offerors approach the Program objectives and scope of services, and how the Offeror would implement and administer a strategic, effective, efficient, scalable, and well-documented Program while using resources creatively to accomplish multiple objectives for the Program.

Offeror's proposals must detail their Program planning, implementation, and coordination strategies. Offeror's proposals must include specific and measurable objectives, including annual energy savings (MWh and MW, lifecycle energy savings) and quantification and/or goals for other Program objectives.

Offeror's proposals must provide a detailed description of the first triennial period as well as relative development, changes, strategies, and goals over the Contract term. This description must include a timeline and may include a discussion of options and/or decision-points that may affect or alter plans over the course of the Contract period, enabling the Program to respond to evolving market conditions.

Offeror's proposals must include planned transitional activities including a timeline. If an Offeror's proposal is significantly different than the current Program, the Offeror must: 1) provide detailed descriptions of planned transitional activities specific to those unique offerings; 2) describe potential significant impacts on the market; and 3) describe the plans to ensure minimal market disruption.

### **3.10 Proposal Layout and Contents**

#### Proposal Sections

The proposal shall be organized into the sections as listed below. The proposal pages must be numbered, and the sections clearly defined. The proposal shall include, without limitation, all of the information requested in this RFP. Sections 3.11 through 3.17 provide further details for the following proposal sections:

1. Transmittal Letter;
2. Table of Contents;
3. Executive Summary;
4. Offeror Background, Organizational and Management Capability;
5. Technical Response;
6. Budget and Cost Proposal; and
7. Assumptions and Exceptions.

### **3.11 Transmittal Letter**

The transmittal letter must be included as part of the Offeror's proposal. The transmittal letter must be on the Offeror's official business letterhead and must be in the form of a standard business letter that is signed by an individual or individuals authorized to legally bind the Offeror.

The Transmittal Letter shall include the following:

#### **3.11.1 Terms and Conditions**

A statement indicating that the Offeror understands and will comply with all terms and conditions in the RFP.

#### **3.11.2 Legal Entity**

A statement indicating that the Offeror is a corporation or other legal entity (which must be specified, i.e., corporation, partnership, joint venture, etc.) and indicating the jurisdiction where the Offeror is organized.

#### **3.11.3 Federal Tax ID No.**

A statement setting forth the Offeror's Federal tax identification number ("I.D.").

#### **3.11.4 Provider**

A statement that the Offeror maintains an active and current certificate of registration. A true and certified copy of its certificate of registration must be provided and a State GET I.D. must also be provided.

The Successful Offeror will be required to assume responsibility for the life of the Contract for all contractual activities, products, and deliverables identified in the RFP and offered in the Successful Offeror's accepted proposal whether or not the Successful Offeror directly performs or provides them.

Further, the Successful Offeror will be considered to be the sole point of contact with regard to contractual matters. If it is known that a part of the work is to be subcontracted or provided by a third party, the Successful Offeror's proposal shall include, at a minimum, the following information:

1. List of all known subcontractors, manufacturers, and other providers of products or services;
2. Names and addresses of all subcontractors, manufacturers, and other providers of products or services;
3. Description of work to be subcontracted and products to be provided by third parties;
4. Descriptive information concerning the organization of all subcontractors and third parties as well as resumes, including two (2) professional references, of subcontractor staff;
5. Descriptive information about the previous relevant experience of all subcontractors and third parties and their proposed staffs;
6. Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and third parties with the Offeror; and
7. Explanation of any existing contractual relationships between the Offeror and subcontractors, or among subcontractors.

#### 3.11.5 Subcontractors

If one or more subcontractors will be used, a statement shall be submitted by each subcontractor, signed by an individual authorized to legally bind the subcontractor, and stating the following:

1. The general scope of work to be performed by the subcontractor; and
2. The subcontractor's willingness to perform the work indicated.

In addition, each subcontractor shall submit to the Commission, a tax clearance certificate from the DOTAX and the IRS showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the subcontractor have been paid.

If the Offeror chooses to subcontract any work required by this RFP within its proposal, the Offeror is responsible for including appropriate provisions and contractual obligations to ensure the successful fulfillment of all contractual obligations agreed to by the Offeror and the State, and to ensure that the State is indemnified against any and all claims of damage, loss, and cost (including attorney fees) of any kind related to a subcontract in those matters described in the contract between the State and the Offeror. The Offeror shall expressly understand and agree that it shall assume and be solely responsible for all legal and financial responsibilities related to the execution of a subcontract. The Offeror shall agree and understand that utilization of a subcontractor to provide any of the products/services in the contract shall in no way relieve it of the responsibility for providing the products/services as described and set forth herein, and in the contract. In addition,

the activities performed by all subcontractors must be integrated with the operations of the Successful Offeror, such that the customers, the Contract Manager, and the Commission perceive a single Program Administrator service entity.

The Successful Offeror must provide the State with notice prior to establishing any new subcontracting arrangements and before changing any subcontractors. The Commission reserves the right to require the Program Administrator to replace subcontractors, as well as staff members, found to be unacceptable to the Commission for any reason.

#### 3.11.6 Non-discrimination

A statement of affirmative action that the Offeror does not discriminate in its employment and collection practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, handicap, or disability.

#### 3.11.7 Approval of Offeror's Recommendations

A statement that the Offeror agrees that the Commission reserves the right to disapprove Offeror recommendations without penalty, when they conflict with the policy or fiscal interests of the Commission, as determined by the Commission.

#### 3.11.8 Contact Person

Include the name and telephone number of a person who may be contacted during the evaluation process to discuss the Offeror's proposal.

### **3.12 Table of Contents**

The proposal must include a table of contents listing the sections of the proposal and corresponding page numbers. The proposal should use clearly defined chapters to separate each of the sections as listed in Section 3.10.

### **3.13 Executive Summary**

The executive summary shall clearly and concisely summarize and highlight the contents of the proposal to provide an overview of the entire proposal. The executive summary shall include all of the items listed below:

1. Benefits to the State;
2. Offer Form Page OF-1;
3. Wage Certificate;
4. Tax Liability;
5. Evidence of Insurance; and
6. Offeror Guaranty.

#### 3.13.1 Benefits to the State

A concise synopsis of the overall benefits of the proposal to the State. This synopsis should not exceed three (3) pages in length.

### 3.13.2 Offer Forms OF-1 and OF-2

Proposals shall be submitted using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate spaces on Offer Form OF-1. Failure to do so may delay proper execution of the contract.

The Offeror's authorized signature on the Offer Form, OF-1 shall be an original signature in ink, or e-signature which shall be required before an award, if any, can be made. The submission of the proposal shall indicate Offeror's intent to be bound.

Pricing shall be submitted on Offer Form OF-2. The price shall be the all-inclusive cost, including the GET, to the State. No other costs will be honored. Any unit prices shall be inclusive.

Refer to Section 6 of this RFP for the Offer Forms.

### 3.13.3 Wage Certificate

Offeror shall submit a completed Wage Certificate. Refer to Section 6 of this RFP for the Wage Certificate form.

### 3.13.4 Tax Liability

Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and the Program Administrator will be liable for the State GET. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax-exempt status and cite the HRS chapter or section allowing the exemption.

### 3.13.5 Evidence of Insurance

Certificate of insurance, evidencing commercial general liability insurance (occurrence form) and professional liability insurance. Refer to Section 5.4.2 of this RFP for information on insurance requirements.

### 3.13.6 Offeror Guaranty

An Offeror guaranty is NOT required for this RFP.

## **3.14 Offeror Background, Organizational and Management Capability**

The Offeror shall address each of the following items:

1. Offeror Background;
2. Financial Stability and Financial Commitment;
3. Offeror Performance;
4. Offeror Demonstrated Competence and Experience;
5. Offeror Unique Assets
6. Qualifications of Key Personnel;

7. Offeror Management and Organization; and
8. Client References.

Offerors are required to demonstrate the capability of their team, and describe Offeror's prior experience, in the performance of services described in Section 2.6 through Section 2.10 (collectively "Scope of Services"). Offeror capability includes that of in-house staff, subcontractors, or a combination of both. Past experience should include at a minimum, capability and experience in: 1) general program administration, including I.T. and data management; 2) energy efficiency program design, development, and implementation, including a proven capability to deliver innovative energy efficiency services efficiently and effectively; 3) marketing, education and outreach, 4) market assessment and characterization; 5) developing and/or working with funding and finance sources; and 6) engagement with governmental and other entities responsible for codes and standards development and implementation.

Offerors should be aware that the Program Administrator will act as a prime contractor even if services are provided through subcontractors. The prime contractor is the sole point of contact with regard to the Contract provisions and the interactions with the Contract Manager and the Fiscal Agent, including contact for payment for services.

#### 3.14.1 Offeror Background

The Offeror Background section shall include the following information:

1. Legal name of Offeror;
2. Physical address of principal place of business and all other offices including the location of the office which will perform work on behalf of the Commission;
3. Contact email address and mailing address (if the mailing address is different from above);
4. Date established;
5. Ownership (public or private company, partnership, subsidiary, etc.);
6. Offeror's primary line of business;
7. Number of employees;
8. Number of employees engaged in tasks directly related to the requirements listed in this RFP;
9. History of company name changes and dates associated with each name; and
10. Location where incorporated or otherwise legally established.

#### 3.14.2 Financial Stability and Financial Commitment

The Offeror shall provide information on the Offeror's financial stability, including the following details:

1. Annual revenues over the last five (5) years (or the number of years the Offeror has been in business, whichever is less), number of employees for each of the last

- five (5) years, years in business, evidence of business insurance for professional liability;
2. Three years of audited financial statements and annual reports, if any, for Offeror's firm and any significant subcontractors, which should include a profit and loss statement, a cash flow statement, and a balance sheet (e.g., SEC form 10-K is acceptable). If unaudited financial statements are submitted, copies of filed tax returns shall be provided to support the statements; and
  3. Offerors must clearly identify the accounting method that they propose to utilize throughout the term of the contract.<sup>39</sup>

A public or non-profit entity shall provide adequate information comparable to the information required above, which allows an assessment of financial status and capability. In the event an Offeror is forming a new organization to bid on this proposal, the Offeror should provide comparable documents from investors, partners, and/or principals.

As with trade secrets or other proprietary data, an Offeror may request in writing and in accordance with Section 5, Special Provisions, that the financial information provided be kept confidential, subject to review by the Attorney General. Otherwise contents of all proposals shall be made public as provided in HAR § 3-122-58, upon posting of award.

### 3.14.3 Offeror Performance

The Offeror shall provide information that will demonstrate the following:

1. Responsiveness to previous clients;
2. Timeliness of meeting schedules;
3. Adherence to contract requirements of previous clients; and
4. Availability and accessibility to previous clients.

The Offeror must provide the following information relative to the past seven (7) years (or the number of years the Offeror has been in business, whichever is less):

1. Whether the Offeror has had a contract terminated for default or cause. If so, the Offeror must submit full details, including the other party's name, address, and telephone number.
2. Whether the Offeror has been assessed any penalties in excess of \$10,000.00, including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the Offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
3. Whether the Offeror was the subject of any governmental action limiting the right of the Offeror to do business with that entity or any other governmental entity.

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<sup>39</sup>Offerors must provide annual financial statements to the Commission that use accrual basis accounting.



4. Whether trading in the stock of the company has ever been suspended with the date(s) and explanation(s).
5. Whether the Offeror, any officer of the Offeror, or any owner of a 20% or greater interest in the Offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
6. Whether the Offeror, any officer of the Offeror, or any owner with a 20% or greater interest in the Offeror has been convicted of a felony or is currently under indictment on any felony charge.

While an affirmative answer to any of these items will not automatically disqualify an Offeror from consideration, at the sole discretion of the Evaluation Committee, such an answer and a review of the background details may result in a rejection of the Offeror's proposal. The Evaluation Committee will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the Offeror's performance of the work, and the best interests of the State.

#### 3.14.4 Offeror Demonstrated Competence and Experience

The Offeror shall provide detailed information on the relevant experience of the Offeror and any subcontractor(s) in performing the work described in the scope of services.

Offerors shall describe their firm and/or team's experience and capabilities in managing, delivering, and implementing energy efficiency and DSM services (including grid services ready, DR, and EV charging) in Hawai'i, and/or markets similar to those in Hawai'i.

Offerors shall describe experience working with state regulatory commissions or government entities in areas relevant to the required work described in this RFP. Include a listing of experience obtained by senior management employees or officers, who will be primarily assigned to perform or oversee the work described in the Offeror's proposal.

#### 3.14.5 Other Desired Offeror Skills and Experience

To ensure that the selected bidder can operate effectively in the evolving energy landscape and take advantage of potential future programmatic opportunities, offeror shall highlight in their proposals their firm and/or team's experience and capabilities in the following areas:

- Developing measure, program, and portfolio-level forecasts based on hourly end use load shapes and efficiency savings load shapes;
- Data analytics to support interpretation of AMI meter data to inform program design particularly including optimization of controls measures;
- Design and implementation of programs that focus on time and locational EE values;
- Automated demand response (ADR) program design and implementation;
- Other Energy Optimization program design and implementation (load shifting, storage, electrification of transportation, etc.);

- Performance-driven Market Transformation, Diversity, Equity & Inclusion, and Accessibility & Affordability programs; and
- Program delivery impacted by or leveraging external factors such as TOU rate structures (including TOU opt-out) and AMI rollout to customers.

#### 3.14.6 Offeror Unique Assets

If applicable, Offerors should describe specific unique capabilities and resources that they bring to the delivery of energy efficiency and DSM services to all markets. Examples might include specific financing capabilities, proven marketing experience, exceptional capabilities with energy-efficient building design, and experience developing partnership and/or co-marketing approaches to energy efficiency promotion.

#### 3.14.7 Qualifications of Key Personnel

Offerors shall identify key personnel to be assigned to this project, describe their primary responsibilities, and include résumés that describe the individuals' experience and qualifications in managing and delivering energy efficiency programs. Offerors shall provide:

1. Résumés for key personnel;
2. Name, address, telephone number, and email address of key personnel; and
3. Estimate of assigned hours of key personnel on the project by task set forth in the scope of services, and key personnel level of engagement as characterized in the Budget and Cost Proposal.

Résumés should include information relating to experience, education, and skills, and relevant responsibilities from other projects that will help the Commission evaluate the qualifications and experience of key personnel. Each résumé shall be no more than three pages in length.

#### 3.14.8 Offeror Management and Organization

The Offeror Management and Organization section shall include organizational charts of proposed personnel, including their job titles and responsibilities. The section must describe the management approach and include a detailed narrative describing who the key personnel are and how the key personnel's experience and background will enable successful completion of assigned tasks. The Commission reserves the right to disqualify any Offeror that changes key personnel assigned to perform the Program Administrator's responsibilities, prior to the execution of the contract.

The Offeror Management and Organization section must:

1. Describe the business structure under which the Offeror typically operates (i.e., for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by an Offeror for operation of the Program Administrator, that structure should be described fully and clearly;
2. Identify all organizational team members, both the prime contractor and any known subcontractors;

3. Include a management and organization chart that depicts the relationships and proposed agreements among team members to accomplish the tasks in the scope of services;
4. Give the current location of their main office and details regarding new locations at which they intend to establish offices to serve as the Program Administrator; and
5. Describe proposed approaches for soliciting, selecting, and hiring staff or subcontractors to implement savings. Include detail plans to encourage or provide incentives for subcontractors or implementers to achieve the Program objectives, including savings goals.

#### 3.14.9 Client References

The Offeror must include five (5) references for the Offeror's proposed key personnel and two (2) per subcontractors. Such subcontractors and references must have experience with projects that were similar in their nature, size, and scope of work to the work described in this RFP.

Offerors must use the Vendor Reference Form (see Section 6) to provide references. The Vendor Reference Form may be recreated electronically, but all fields and formats must be retained. Failure to recreate the forms accurately may lead to the rejection of the Offeror's proposal. By listing the references, Offerors and their subcontractors grant the State authorization to contact these client references to assess the Offeror's quality of work performed.

In the event the Offeror is forming a new organization to bid on this proposal, the Offeror should provide the related references for the key staff members proposed for the Program Administrator project.

### **3.15 Technical Response for Program Key Tasks**

At minimum, the technical response shall include a detailed discussion of the Offeror's approach to achieving Program objectives and accomplishing the tasks described in this RFP.

The focus on Program objectives and tasks in this RFP is intended to help Offerors understand the Commission's priorities and the evolution of the Program. While the focus on objectives and tasks may require certain types of Program services, prospective Offerors should not assume that these are the only acceptable services to be offered by the Program Administrator. The Commission encourages Offerors to propose Program services that will serve customers and markets in innovative, effective ways, and bring a range of benefits to Hawai'i.

The technical response shall, at minimum, address the following key areas related to the Program scope of services:

1. Approach to Program Transition;
2. General Administration; and

### 3. Services and Initiatives.

#### 3.15.1 Approach to Program Transition

Offerors must provide a plan for their approach to the transfer of the responsibilities between the existing and incoming Program Administrator, during the transition period. Offeror shall include a plan for the work necessary to complete the transition, including a detailed timeline.

#### 3.15.2 General Administration

In the technical response, Offerors should describe their proposed approach for all General Administration work described in Section 2.9. The proposal should provide detailed plans, discussion and/or examples addressing, at minimum, the following General Administration tasks and/or requirements:

1. Budgeting and Financial management tasks as described in Section 2.9.1, including process and procedures for multi-year budget planning, management and monitoring, processes for ensuring timely and accurate invoicing and payment systems, and description of record keeping of supporting documentation. Offeror's proposal should also provide information regarding Offeror's access to capital, in the event that Program spending should precede PBF collection. Offerors' proposals must detail the tools and mechanisms they will employ to satisfy these financial management requirements;
2. Funding and financing plans, including development of independent funding sources and/or PBF leverage plans;
3. Approach to resource management, including the administrative capability to ensure the completion of each task and sub-task effectively, reliable monitoring procedures that will document results, and processes and procedures to assign, track, review, and approve completed work;
4. Process and procedure to uphold, monitor, and document quality assurance standards for direct employees and subcontractors, as well as correction procedures;
5. Dispute resolution processes and procedures; and
6. Processes and/or procedures for the timely delivery and review of reports and deliverables.

#### *Information Technology and Data Management*

Offeror's proposal should include detail and plans to address Section 2.9.5, including but not limited to:

1. Description of I.T. specifications;
2. Plan for the development of an I.T. and data management system, or adoption of the existing system with a detailed timeline for implementation. Offerors should discuss planned system capability in terms of configuration and/or expansion;
3. Discussion of any I.T. design issues related to tradeoffs between cost and functionality that Offeror believes the Commission should be aware of;
4. Managing customer-specific and competitively sensitive information;

5. Process and procedures for Program data collection, storage, and management; and
6. Plan and discussion for Program modification and improvement using data analysis. This may include use and leverage of data for Program evaluation, for identifying and targeting market segments, and for services development.

#### *Program Marketing and Communications*

Offerors should describe their marketing, communications, and consumer information strategy to promote Program awareness and increase Program participation. The Offeror shall include examples of marketing and communications materials, and programs that have proven effective in other states or jurisdictions, which could be modified for use in Hawai'i. Proposals should include details and discussion regarding the following:

1. Marketing and outreach of the Program;
2. Expanding residential and business awareness of Program services;
3. Increasing consumer awareness and understanding of the benefits of energy efficiency for participants and non-participants;
4. Growing consumer demand for energy efficient products and services; and
5. Influencing consumer decision-making in consumer-driven energy efficiency choices.

Offeror may include samples of marketing materials or communications for the Program, including informational brochures and promotional items.<sup>40</sup>

#### 3.15.3 Services and Initiatives

In this section, Offerors should describe and explain their proposed approach and strategies for achieving Program objectives through planning, implementation, and coordination tasks as described in Section 2.10. The Commission encourages Offerors to propose creative and effective strategies that will enhance and transform the current infrastructure and systems. Offeror's proposal must include methods to ensure consistent and effective strategies for achieving Program objectives and energy savings in a manner that is accessible to customers and promotes widespread (geographic, market, and customer), long-term and sustainable results.

#### *Program Planning*

Offerors should provide an overview of Program planning and set-up procedures, including provision of any research plans, proposed working groups, identification of stakeholder and outreach groups, and other planning work as necessary.

#### *Program Implementation*

Offeror should discuss the role of the Program Administrator in the day-to-day delivery of Services and Initiatives. This section allows the Offeror to showcase their understanding

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<sup>40</sup> The Program Administrator is required to use the existing Hawai'i Energy brand and website ([www.hawaiienergy.com](http://www.hawaiienergy.com)).

of the Commission's Program objectives, the Program Administrator's role in achieving those objectives and the Offeror's proposed strategies and solutions. Offerors should detail their approach and methods for Program implementation, including how the Offeror's services will contribute to the achievement of Commission objectives.

Offerors should provide a thorough discussion of their strategic approach. This discussion should provide information on Offeror's proposed target markets, and a description of the intended methods for delivering results in each. The Commission recognizes that the Program may not address every market at all times, and seeks proposals that identify, with reasoning and/or examples, target markets that are relevant for achieving Program objectives.

The Offeror's proposal shall include, at minimum, energy savings and peak demand reduction goals and average measure life, customer equity, cost effectiveness, and market transformation goals. Offerors may also propose other goals or objectives.

#### *Energy Savings and Peak Demand Reduction*

In proposing energy savings and peak demand reduction goals, Offerors should consider the past MW and MWh savings and average measure life achieved by the Program, associated net to gross, and savings fractions as identified in the most recent TRM.

At a minimum, Offerors should propose energy (first-year and lifecycle) and capacity savings for each year, reconciling to a total for the Contract term. Offerors' proposal should show the components of multi-year savings, including details on how much of each type of savings will come from each market, categorized by major end use. Offerors should address how they will reach the target savings goals over the course of the multi-year Contract, including how annual energy savings strategies are linked to other Program objectives.

The Commission envisions flexibility around annual targets and market segments, providing that the multi-year goals (as set forth in Section 2.10.2 Program Implementation) are articulated and met. Offeror may develop a proposal that reflects ranges around annual energy savings goals reconciling to a total for the Contract term, and may describe those ranges in addition to supplying a point estimate for each year. The Commission will place a high emphasis on the Offerors' demonstrated probability of meeting the criteria set out in this section while preserving the balance of other objectives, such as widespread participation and market penetration.

#### *Customer Equity*

Offerors should provide plans and proposals for customer equity Services and Initiatives, such as programs for "hard-to-reach" customers. Offerors may propose targeted initiatives as well as more standard services that access all customers. The Commission has interest in innovative and/or effective approaches to delivering programs to underserved segments.

### *Cost Effectiveness*

Offeror shall include plans on how to maximize use of PBF funds, deliver cost-effective Program objectives, and detail proposal cost-effectiveness metrics. Proposals shall demonstrate Offeror's cost-effective methods and results from other programs and/or prior experience.

The proposal should describe how the offerings are prioritized, including a description of the tradeoffs in allocating limited budget dollars to specific tasks and programs, and why those tradeoffs were selected. The Offeror's proposal should showcase the value offered by the Offeror in maximizing all Program objectives.

### *Market Transformation*

Offerors should describe their approach to market transformation work and objectives as described in Section 2.10.2, Program Implementation: Market Transformation. Proposals should describe strategic approaches, proposed market segments, and transformation and intervention goals and strategies, including methods to address market barriers. Proposals should include description of important market sub-sectors and market actors, and the Offeror's integrated approach to achieve ultimate adoption of changes that promote longer term energy efficiency savings. Market transformation efforts may include plans for identification, adoption, and compliance enhancement of codes and standards that are applicable to the State. Market transformation proposals should include how the described market transformation services will result in energy savings in the three-to-five-year time frame and the use of "outcome" type metrics, where feasible.

### *Coordination and Collaboration*

Offeror shall provide coordination and collaboration plans, including Offeror approach to collaborating with stakeholders, utilities located or operating in Hawai'i, governmental organizations and agencies, and other providers. Proposals should detail how Offeror will identify and utilize existing market participants and discuss plans to leverage opportunities and reduce duplication in Program delivery. Offerors may propose a coordination and collaboration plan, which may include discussion of cost accountability, performance or reward shares, and communication systems, amongst other elements.

### **3.16 Budget and Cost Proposal**

Offeror's proposal must include a Budget and Cost proposal. The Budget and Cost proposal must include a proposed annual budget for each year of the four-year Contract period, reconciling to a summary budget for the Contract period. The Offeror's budget proposal may also detail an expanded budget, showing Program options in the event that additional funds are available. Budgets should be based on an hourly rate for services, or where appropriate, a unit rate, e.g., data collection or travel, as well as material and other expenses, to be performed under the Contract.

The Commission anticipates that during the Contract period there will be flexibility between annual budgets, to meet evolving Program needs. The Offeror may develop a Proposal that reflects ranges around annual budgeting, reconciling to a total for the

Contract term. If so, Offerors should describe these features of the proposal, including ranges in a separate column from the point estimate and in text accompanying the budget, and in the body of the proposal as appropriate.

Program budgeting tasks are described in Section 2.9.1, Budgeting and Financial Management, and the Contract compensation amount is described in Section 2.11. The Budget and Cost Proposal must include, at minimum, the following:

1. Proposed annual budget, reconciling to total budget for Contract term, for each Program key task of Program Transition, General Administration, and Services and Initiatives, as described in Section 2, Programs, Background, and Scope.
  - a. General Administration budget shall include break outs for I.T. and data management, and Program marketing and communications;
  - b. Services and Initiatives budget shall include breakouts for tasks of planning, implementation, and coordination and collaboration. Services and Initiatives budgets shall also include breakouts for residential and business sectors, and programmatic versus incentives budget;
  - c. Incentives budget shall include indication of budget allocation per HECO Companies service territory; and
  - d. Budgets should include proposed treatment for any unspent budget funds.
2. Staff rates and non-labor expenses, in a summary table. One or more pages of information describing the budget and cost assumptions and crafting of certain cost categories, markups, etc. may be included. Annual budget shall include at minimum:
  - a. Budget and labor rates for all staff, including clearly identified mark-ups, if any, on labor, including sub-contractor labor, and other services;
  - b. Specified labor hours for prime contractor staff, and sub-contractor staff, if any;
  - c. Materials and non-labor costs, including clearly identified mark-ups, if any, for processing such expenses; and
  - d. Costs associated with meetings scheduled at the Commission offices during the Contract term. These meetings may occur near the start of each Program Year, and post completion of Annual Reports.

Offeror's proposal may detail an alternative mechanism for yearly budgeting and goal setting. If Offeror chooses to propose an alternative mechanism, the Offeror may include, in addition to the budget and cost proposal described herein, an alternative version of the budget and cost proposal that matches and characterizes the alternative mechanism.

Offerors must be aware that there are certain factors that will affect the budgets they propose, including the cost of certain prior Program commitments, including transferred contracts, subcontracts, and other obligations.

Offerors are cautioned that, should their proposal be selected and the proposal cost fails to account for all services specified in this RFP, Offerors will be required to provide those



services at no additional cost to the Commission. It is the responsibility of the Offeror to ascertain that the cost information presented is accurate, complete, and all-inclusive. The Commission or the State shall not be liable or responsible for any compensation to the Program Administrator for the services provided under its proposal or in this Contract that exceeds the total Contract amount. The Program Administrator shall be paid in accordance with the State's General Conditions, Billing Requirements, and Travel Guidelines.

The subsections below provide information about the minimum information and level of detail required for response to General Administration, and Services and Initiatives tasks. Offerors are encouraged to provide more detailed information if they believe it will assist the Commission in its evaluation of Offeror's proposals.

#### 3.16.1 General Administration Budget Information

The General Administration budget should include, at a minimum, all General Administration Program tasks and other costs not directly attributable to a specific program or incentive. General Administration costs should not exceed 10% of the total budget proposal.

#### 3.16.2 Services and Initiatives Budget Information

The Services and Initiatives budget shall include all costs associated with Program planning and implementation, and coordination and collaboration. Administrative costs associated with serving an individual program should be included in the budget allocation for that program.

The current Program Administrator contract has a goal of providing at least 70% of Program budgets to be returned to ratepayers in the form of participant rebates and incentives; additionally, incentive expenditures per service territory are commensurate with the PBF collection from each service territory. The allocation between Residential and Commercial/Industrial budgets has historically been on the order of 45%/55%, and is currently 41%/59%. However, the Commission currently provides approximately 10% flexibility in meeting these goals. Budget and cost proposals outside of these guidelines should be justified in terms of benefits to ratepayers and the State.

#### 3.16.3 Performance Indicators and Award

The Performance Indicators play an important role in the planning, implementation, and assessment of the Program, and may be used to assess the progress of Program Administrator's efforts in addressing and balancing the Program objectives. For the proposal Performance Indicators and Performance Award, Offerors may use as a reference point the existing Program performance goals and criteria, which are available in the current Program Triennial Plan.

Any performance criteria proposed by the Offeror must include specific and measurable metrics. Offerors should identify how and when they will achieve any additional goals or objectives, and the method by which their implementation effectiveness can be

measured. Offerors should provide the following information on Performance Indicator and Performance Awards:

1. Proposed Performance Indicators - Offerors must, at minimum, propose energy savings (first year and lifecycle), peak demand savings, total resource benefits, customer equity, and market transformation Performance Indicators, and may also propose other Performance Indicator goals, which must be measurable;
2. Total Performance Award amount, and the portions assigned to each Performance Indicator. Offerors have the flexibility to propose alternative payment structures for the Performance Awards. Offerors are not limited to a time and materials payment structure for Performance Awards;
3. The period of time covered by the Performance Indicator and Performance Award (e.g., one year, or multiple years); and
4. How achievement of the Performance Indicator can be verified.

The final definitions of Performance Indicators, their objectives, and their individual Performance Award values, as well as any minimum performance requirements, will be set by mutual agreement during Contract negotiations.

#### 3.16.4 Budget Format

Offerors shall provide their budget and cost proposal information in the following formats:

1. A programmed Microsoft Office Excel spreadsheet; and
2. Adobe PDF format.

#### 3.17 Assumptions and Exceptions

The Offeror shall list any assumptions made and exceptions taken to the terms, conditions, specifications, or other requirements listed here. The Offeror shall reference the relevant section of the RFP where assumptions are made or exceptions are taken, a description of the assumption made or exception taken, and the proposed alternative, if any. Any revision or exception to the work or work products requested shall also be supported by a description of the proposed benefit to the State, if considered.

Further, the Offeror must state that there are no further assumptions or exceptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal. **Offeror is advised that any assumptions made or exceptions taken may adversely affect Offeror's evaluation score.**

#### 3.18 Receipt and Register of Proposals

Proposals will be received, and receipt automatically verified by the State of Hawai'i eProcurement system (HiePRO), which is available on the SPO website: <https://hiepro.ehawaii.gov/welcome.html>, on or after the date and time specified in Section 1.4, RFP Schedule and Significant Dates, as amended.

The register of proposals and proposals of the Offeror(s) shall be open to public inspection upon posting of award pursuant to section 103D-701, HRS.

### **3.19 Best and Final Offer (BAFO)**

If the State determines a BAFO is necessary, it shall request one from the Offeror. The Offeror shall submit its BAFO and any BAFO received after the deadline or not received shall not be considered.

### **3.20 Modification Prior to Deadline or Withdrawal of Offers**

3.20.1 The Offeror may modify or withdraw a proposal before the proposal due date and time.

3.20.2 Any change, addition, deletion of attachment(s) or data entry of an Offer may be made prior to the deadline for submittal of offers.

### **3.21 Mistakes in Proposals**

3.21.1 Mistakes shall not be corrected after award of contract.

3.21.2 When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.

3.21.3 Once discussions are commenced or after best and final offers are requested, any priority-listed Offeror may freely correct any mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.

3.21.4 If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which event the proposal may not be withdrawn.

3.21.5 If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the State. Examples include the failure of

an Offeror to: return the number of signed proposals required by the request for proposals; sign the proposal, but only if the unsigned proposal is accompanied by other material indicating the Offeror's intent to be bound; or to acknowledge receipt of an amendment to the request for proposal, but only if it is clear from the proposal that the Offeror received the amendment and intended to be bound by its terms; or the amendment involved had no effect on price, quality or quantity.

## SECTION 4 – EVALUATION CRITERIA

The evaluation of proposals received in response to this RFP will be conducted comprehensively, fairly, and impartially. Structural, quantitative scoring techniques will be utilized to maximize the objectivity of the evaluation.

### 4.1 Evaluation Committee

The Evaluation Committee is responsible for review and evaluation of proposals. The Evaluation Committee is formed of at least three (3) State employees, selected by the Commission, with experience in and knowledge of the Commission’s duties and powers, and the Program objectives and requirements, and the specific requirements set forth under HRS Chapter 269.

The Evaluation Committee may have the proposals (or portions of proposals) reviewed and evaluated by other State personnel and/or Commission consultants, with technical or professional experience that relates to the Program or to a criterion in the evaluation process.

### 4.2 Phases of Evaluation

The evaluation will be conducted in six (6) phases shown in Table 1 below:

*Table 1: Phases of proposal evaluation.*

Phase	Task
Phase 1	Evaluation of General Requirements
Phase 2	Evaluation of Proposals
Phase 3	Establishment of Priority List of Offerors
Phase 4	Optional Discussions/Presentations with Priority-listed Offerors
Phase 5	Submission of Best and Final Offers (if deemed necessary by the Commission)
Phase 6	Recommendation for Award

#### 4.2.1 Phase 1: Evaluation of General Requirements

The evaluation of General Requirements as specified herein shall be on a “pass/no pass” basis; no points shall be assigned for these requirements.

The purpose of this phase is to determine whether an Offeror’s proposal is sufficiently responsive to the RFP to permit a complete evaluation. Each proposal will be reviewed for responsiveness. Failure to meet the General Requirements (no pass) will be grounds for deeming the proposal non-responsive to the RFP and may result in non-consideration of the proposal. Proposals meeting the General Requirements (pass) of Phase 1 will be considered in Phase 2. The General Requirements for proposal responsiveness are listed in Section 4.3.1, Proposal Evaluation Criteria and Scoring.

#### 4.2.2 Phase 2: Evaluation of Proposals

During this phase, the Evaluation Committee shall conduct evaluations of the Offeror's proposal against the services and requirements specified in this RFP.

Based on a 100 point scale, proposals must score a minimum of 70 points for further award consideration. Proposals scoring less than 70 points shall not be considered for project awards. Evaluation criteria are described in Section 4.3.

#### 4.2.3 Phase 3: Establishment of Priority-Listed Offerors

The Evaluation Committee scores for each proposal, as determined in Phase 2 – Evaluation of Proposals, shall be ranked and averaged to determine if the proposal is acceptable, potentially acceptable or unacceptable. No more than three (3) acceptable or potentially acceptable proposals with the highest average ranking will be designated as the priority-listed Offerors, as set forth under HAR § 3-122-53.

#### 4.2.4 Phase 4: Optional Discussion with Priority-Listed Offerors

During this phase, the Evaluation Committee may conduct discussions with priority-listed Offerors. Proposals may be accepted without such discussions. These discussions are intended to allow priority-listed Offerors to answer any questions the Evaluation Committee may have regarding a priority-listed Offeror's proposal. The Evaluation Committee may request other State personnel, the EEM Contract Manager and/or Commission consultants to participate in this process.

The Evaluation Committee will not indicate to a priority-listed Offeror a price that it must meet in order to obtain further consideration, nor will it advise a priority-listed Offeror of its price standing relative to another priority-listed Offeror. However, the Evaluation Committee may inform a priority-listed Offeror that its price is considered too high or unrealistic.

If during the discussions there is a need for any substantial clarification or change of the RFP, the RFP shall be amended by an addendum. Such addenda to the RFP shall be distributed only to the priority-listed Offerors. The priority-listed Offerors shall be permitted to submit new proposals or amend those submitted.

#### 4.2.5 Phase 5: Submission of Best and Final Offers

If deemed necessary by the Commission, the priority-listed Offerors' best and final offers shall be emailed to the Commission no later than the date and time specified by the Commission. If a best and final offer is not submitted, the previous submittal will be construed as the best and final offer.

#### 4.2.6 Phase 6: Recommendation for Award

The Evaluation Committee will prepare and submit a recommendation on which Offeror should be awarded the contract for the Procurement Officer's review and approval.

### 4.3 Proposal Evaluation Criteria and Scoring

The Evaluation Committee will assess the Offeror's proposals in terms of the scope of services described in Section 2, and the proposal content as described in Section 3. This area of evaluation includes an assessment of the detailed proposal, including the experience and assets of the Offeror, the logic of the technical response, the interfacing with the Commission and the Contract Manager, realism of the tasks and schedules, the Offeror's approach to management, and the Offeror's control methods and tools to successfully operate as the Program Administrator. Overall, the proposal shall demonstrate that the Offeror understands the issues and has the ability to meet and satisfactorily produce all contractual requirements listed in this RFP, including all contractual services. The budget and cost must be realistic given the tasks proposed, and the proposal should maximize energy savings while illustrating an aggressive, competitive approach to maximizing the State's limited resources.

Proposals will also be evaluated for the adequacy of the Offeror's understanding of state and federal laws, regulations, and policies and procedures relating to the Program Administrator's responsibilities. The Offeror shall address, and proposals will be assessed, on the following aspects:

1. Offeror Background, Organizational and Management Capability;
2. Technical Response; and
3. Budget and Cost Proposal.

The proposals are scored according to evaluation criteria listed in Table 3. Based on a 100-point scale, proposals must score a minimum of 70 points for further award consideration. Proposals scoring less than 70 points shall not be considered for award. This section further describes each of the evaluation criteria shown in Table 2.

*Table 2: Evaluation Criteria and Scoring*

<b>Evaluation Criteria</b>	<b>Scoring</b>
General Requirements	Pass/No Pass
Organizational and Management Capability	40 points
Technical Response	40 points
Budget and Cost Proposal	20 points
<b>Total points possible</b>	<b>100 points</b>

#### 4.3.1 General Requirements (Pass/No Pass)

The evaluation of general requirements as specified herein shall be on a "pass/no pass" basis; no points shall be assigned for these requirements. Each proposal will be reviewed to determine if the proposal is sufficiently responsive to permit a complete evaluation. To satisfy general requirements, the proposal shall include, without limitation, all of the information requested in this RFP in the order specified, with each section tabbed and separated into headings as listed below:

1. Transmittal Letter;
2. Table of Contents;
3. Executive Summary;
4. Offeror Background, Organizational and Management Capability;
5. Technical Response for Program Key Tasks;
6. Budget and Cost Proposal; and
7. Assumptions and Exceptions

Failure to meet the general requirements will be grounds for deeming the proposal non-responsive to the RFP and may result in non-consideration of the proposal. Proposals meeting the general requirements (pass) of Phase 1 will be considered in Phase 2.

#### 4.3.2 Offeror Background, Organizational and Management Capability (40 points)

As the tasks the Program Administrator will perform are complex and often difficult to measure quantitatively, the demonstration of organizational ability and administrative competence, and the experience of the organization and its staff and subcontractors, will be part of selection criteria. The Offeror organization/team will be evaluated on the following aspects and characteristics:

1. Demonstrated financial resources to perform proposed work;
2. Demonstrated experience of project team members in energy efficiency program development and administration;
3. Demonstrated ability to provide general program administration and coordination including budget planning and tracking, financial management, contract management, and reporting;
4. Demonstrated experience to develop and maintain a data information management system;
5. Demonstrated ability to facilitate and lead program development and planning involving multiple participants, including a demonstrated capacity for program development and design, and annual and multi-year program plans and budgets; and
6. Capability of proposed team's management and organizational structure to perform the tasks and sub-tasks set forth in the scope of services.

#### 4.3.3 Technical Response (40 points)

Section 3.15 requires Offerors to detail their plans for Program Transition, General Administration, and Services and Initiatives. The Offeror's achievements implementing energy efficiency programs in Hawai'i and/or outside the state, both on a service-territory specific basis and on a statewide basis, will be considered by the Commission when it evaluates Offerors' probability of achieving Program objectives.

The Offeror's technical response will be assessed for its clarity, practicality, creativity, and where appropriate, the promised level of achievement, including energy savings and



Program objectives in all markets. The Commission will evaluate the Offeror's proposed strategies and plans regarding the Program Administrator's role and the Program objectives, including any discussion about trade-offs, key issues and leveraging opportunities. The technical response allows the Offeror to showcase their understanding of the Program objectives and the Offeror's proposed strategies and offerings.

The Offeror's technical response will be evaluated on the thoroughness of strategic approach and program implementation, including Offeror's ideas and experiences regarding target markets, and a description of the intended methods for delivering results in each, including plans for marketing and communications, data management and analysis, or other strategy as described by the Offeror. The Commission welcomes thoughtful, innovative technical responses, quantified where possible by experience or results, reports and/or other secondary sources including case studies.

#### 4.3.4 Budget and Cost (20 points)

Budgets should correlate approximately with Program objectives. The Commission will evaluate budget in terms of clarity, thoroughness, cost effectiveness and budget distribution, including the amounts allocated to each of the three key tasks of Program Transition, General Administration, and Services and Initiatives.

The Commission will consider cost-effectiveness, in terms of budget versus proposed Program achievements. The budget shall be evaluated based on value per dollar of project activity and/or Program results, with regard to quality of staff time based on overall cost and contribution to the project.

The Commission does not have strict guidelines for use of budgets in the proposed scope of services; however, the Commission recognizes and values the leveraging of budgets to serve multiple Program objectives. The Commission welcomes discussion regarding timing of budget outlay, including longer versus shorter term outlays, and timing for accrual of Program achievements.

## **5. SECTION 5 – SPECIAL PROVISIONS**

### **5.1 Scope**

The Offeror's proposal shall be in accordance with the RFP in its entirety; including these Special Provisions and the General Conditions included by reference in Section 6 of this RFP.

### **5.2 Term of Contract**

The Successful Offeror shall be required to enter into a formal written State contract to commence work on this project. The term of contract shall be in accordance with the dates listed in Section 2.12, with an option to extend, by mutual agreement, for up to one additional three-year period or any portion thereof. The Commission may terminate the Contract at any time, if in the best interest of the State.

### **5.3 Overview of the RFP Process**

1. The RFP is issued pursuant to Subchapter 6 of HAR Chapter 3-122, implementing HRS § 103D-303.
2. The procurement process begins with the issuance of the RFP.
3. Changes to the RFP will be made only by addendum.
4. Proposals shall not be opened publicly, but shall be opened in the presence of two (2) or more procurement officials. The register of proposals and Offeror's proposals shall be open to public inspection after posting of the award.
5. All proposals and other material submitted by Offerors become the property of the State and may be returned only at the State's option.
6. A committee of at least three (3) State employees selected by the Commission shall evaluate the proposals in accordance with the evaluation criteria in Section 4.3. The committee may have the proposals or portions of them reviewed and evaluated by independent third parties or other State consultants or personnel with technical or professional experience that relates to the Program or to a criterion in the evaluation process. The proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable. This review will be a pass/no pass determination with no points assigned.
7. Proposals may be accepted on evaluation without discussion. However, if discussions are deemed necessary, prior to entering into discussions, a priority-listed Offerors submitting acceptable and potentially acceptable proposals shall be generated. The priority list shall be limited to a maximum of three Offerors who submitted the highest-ranked proposals, as described in subsection 4.2.3. The objective of these discussions is to clarify issues regarding the Offeror's proposal before the BAFO is tendered.
8. If during discussions there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by an addendum to incorporate such

clarification or change. Addenda to the RFP shall be distributed only to priority listed Offerors who submit acceptable or potentially acceptable proposals.

9. Following any discussions, priority-listed Offerors will be invited to submit their BAFO, if required. The Procurement Officer or the committee reserves the right to have additional rounds of discussions with the priority-listed Offerors prior to the submission of the BAFO.
10. The date and time for Offerors to submit their BAFO, if any, will specified by the Commission. If Offeror does not submit a notice of withdrawal or a BAFO, the Offeror's immediate previous offer shall be construed as its BAFO.
11. After receipt and evaluation of the BAFOs in accordance with the evaluation criteria in Section 4.3, the Evaluation Committee will make its recommendation to the Contracting Officer. If approved by the Contracting Officer, the Executive Officer will award the Contract to the Offeror whose proposal is determined to be the most advantageous to the State taking into consideration the evaluation factors set forth in Section 4.
12. The contents of any proposal shall not be disclosed during the review, evaluation, discussion, or negotiation process. Once the award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the Commission agree are confidential and proprietary should be identified by the Offerors and shall be excluded from access.
13. The Contracting Officer or the Evaluation Committee reserves the right to determine what is in the best interest of the State for purposes of reviewing and evaluating proposals submitted in response to the RFP. The Procurement Officer and the committee will conduct a comprehensive, fair and impartial evaluation of proposals received in response to the RFP.
14. The RFP, any addenda issued, and the Successful Offeror's proposal shall become a part of the Contract. All proposals shall become the property of the State of Hawai'i.

#### **5.4 Responsibility of Offerors**

Offeror is advised that if awarded a Contract under this solicitation, Offeror shall, upon award of the Contract, furnish proof of compliance with the requirements of HRS § 103D-310(c):

1. Chapter 237, General Excise Tax Law;
2. Chapter 383, Hawai'i Employment Security Law;
3. Chapter 386, Worker's Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. Chapter 103D-310(c), Certificate of Good Standing ("CoGS") for entities doing business in the State.

Although proof of compliance with these requirements is required prior to entering into a contract with the Commission, due to the compressed timeline of this RFP, it is highly recommended that Offerors furnish this proof of compliance with their proposal.

#### 5.4.1 Hawai'i Compliance Express

The Hawai'i Compliance Express ("HCE") is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service; Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs. The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of HRS § 103D-310(c) shall be accepted for both contracting purposes and final payment.

Vendors/contractors/service providers should register with HCE prior to submitting an offer, at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of contract and final payment.

#### *Timely Registration on HCE*

Vendors/contractors/service providers are advised to register on HCE soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, the Offeror will not receive the award. **It is strongly recommended that vendors utilize HCE.**

#### 5.4.2 Evidence of Insurance

Prior to Contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Offeror shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s) in order to be awarded a Contract. The type of insurance coverage is listed as follows:

1. Commercial General Liability Insurance. Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law:
  - a. Bodily Injury and Property Damage coverage – \$1,000,000 minimum per occurrence;
  - b. Personal and advertising injury of \$1,000,000 per occurrence;
  - c. Broadcasters' liability insurance of \$1,000,000 per occurrence;
  - d. Aggregated limit of \$5,000,000.

The commercial general liability policy shall be written on an occurrence basis and the policy shall provide legal defense costs and expenses in addition to the limits

of liability stated above. The Contractor shall be responsible for payment of any deductible applicable to this policy.

2. Automobile Liability Insurance, covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident.
3. Professional Liability (Errors and Omissions)
  - a. \$1 million per claim;
  - b. \$2 million annual aggregate;
  - c. Professional liability coverage will be required of all consultants providing expert services to the State. Retroactive date of coverage must be prior to start of professional service.
4. Workers' Compensation, Temporary Disability, and Prepaid Health Care:
  - a. Mandatory coverages detailed in and per HRS Chapters 383, 386, 392, and 393; and
  - b. Coverages required of business entities employing an individual(s) whose services are localized in the State and/or an individual(s) whose residence is in the State per HRS § 383-2 and § 383-3.
5. Additionally, Certificates of Insurance shall:
  - a. Be completed by a duly authorized representative of their insurer certifying that the liability coverage(s) is written on an occurrence form;
  - b. Be kept current for the entire term of the Contract and written notice shall be provided immediately to the State should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration; failure to secure and maintain the required insurance shall be considered a breach of contract; should the State be forced to expend funds that would have been covered under the specified insurance, the Successful Offeror shall reimburse the State for such funds;
  - c. Reflect the State as an additional insured;
  - d. Reflect subcontractor(s) as additional insureds or shall be required of subcontractor(s) by the Successful Offeror in addition to the Successful Offeror's own policy(s), if appropriate; and
  - e. Be in compliance with State Comptroller's Memorandum 2010-06.
6. The certificates of insurance shall include the following clauses:
  - a. "The State of Hawai'i is added as an additional insured as respects to operations performed for the State of Hawai'i."
  - b. "It is agreed that any insurance maintained by the State of Hawai'i will apply in excess of, and not contribute with, insurance provided by this policy."

Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation terminating the Contract).

The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor's negligence or neglect in the provision of services under the Contract.

#### 5.4.3 HRS Chapters 383, 392, and 393

HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) Requirements for Award. Instructions are as follows:

Pursuant to HRS §103D-310(c), the Successful Offeror shall be required to submit a certificate of compliance issued by the Hawai'i State Department of Labor and Industrial Relations. The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the Commission. A photocopy of the certificate is acceptable to the Commission.

The certificate of compliance shall be obtained on the State of Hawai'i, DLIR *APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH HAR* Section 3-122-112, Form LIR#27 which is available at <http://labor.hawaii.gov/ui/files/2012/12/LIR27.pdf>. The DLIR will return the form to the Offeror who in turn shall submit it to the Commission.

The application for the certificate is the responsibility of the Offeror, and must be submitted directly to the DLIR and not to the Commission. However, the certificate shall be submitted to the Commission.

#### 5.4.4 Entity Doing Business in the State

Compliance with HRS § 103D-310(c) for an entity doing business in the State.

Pursuant to HAR § 3-122-112(a)(3) the Offeror shall be required to submit a Certificate of Good Standing issued by the BREG. The CoGS is valid for six (6) months from date of issue and must be valid on the date it is received by the Commission. A photocopy of the CoGS is acceptable to the Commission.

To obtain the CoGS, the Offeror must first be registered with the BREG. A sole proprietorship is not required to register with the BREG, and therefore not required to submit the CoGS. On-line business registration and the CoGS are available at [www.businessregistration.com](http://www.businessregistration.com). To register or obtain the CoGS by phone, call (808)586-2727 (M-F 7:45 a.m. to 4:30 p.m. HST). Offerors are advised that there are costs associated with registering and obtaining the CoGS.

### **5.5 Required Review**

Offeror shall carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and questionable or objectionable matter must be made in writing and should be received by the Commission at least one week prior to the

proposals due date. This will allow issuance of any necessary amendments to the RFP. It will also help prevent the opening of a defective solicitation and exposure of Offeror's proposal upon which award could not be made.

### **5.6 Confidential Information**

If the Offeror believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld as confidential, then the Executive Officer should be so advised in writing and provided with justification to support the confidentiality claim. Compensation methodology is not considered confidential and will not be withheld.

An Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data to be confidential, pursuant to HAR § 122-46(9). Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

If a person requests to inspect the portions of an Offeror's proposal designated as confidential, pursuant to HAR § 3-122-46(9), the inspection shall be subject to written determination by Attorney General for confidentiality in accordance with HRS Chapter 92F consistent with HAR § 3-122-58. If the request for confidentiality is denied by the Attorney General, such information shall be disclosed as public information, unless the person requesting that such information be determined confidential appeals the denial to the Office of Information Practices. In accordance with HRS § 92F-42(1).

### **5.7 Cancellation of RFP and Proposal Rejection**

The State reserves the right to cancel this RFP and seek to perform the proposed scope of work through a new RFP or other means when it is determined to be in the best interest of the State, pursuant to HAR § 3-122-96.

The State also reserves the right to reject any and all proposals in whole or in part when it is determined to be in the best interest of the State, including that the State believes the proposal is excessive in price.

The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this RFP is cancelled or a proposal is rejected.

### **5.8 Disqualification of Proposals**

The State reserves the right to consider acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and the scope of work. Any proposal offering any other set of terms and conditions, or terms and conditions contradictory to those included in this RFP, may be disqualified without further notice.

An Offeror will be disqualified and the proposal automatically rejected for any one or more of the following non-exclusive reasons:

1. Proof of collusion among Offerors, in which case all proposals and Offerors involved in the collusive action will be rejected;
2. The proposal demonstrates noncompliance with applicable law;
3. The proposal is conditional, incomplete, or irregular in such a way as to make the proposal incomplete, indefinite, or ambiguous as to its meaning;
4. The proposal has any provision reserving the right to accept or reject award, or to enter into an agreement pursuant to an award, or provisions contrary to those required in the solicitation;
5. The delivery of the proposal after the deadline specified in the timetable;
6. The Offerors being in arrears on existing contracts with the State or having defaulted on previous contracts.

### **5.9 Right to Waive Minor Irregularities**

The Evaluation Committee reserves the right to waive minor irregularities. The Evaluation Committee also reserves the right to waive general requirements provided that all the otherwise responsive proposals failed to meet the general requirements and the failure to do so does not materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

### **5.10 Offer Acceptance Period**

The State's acceptance of offer, if any, will be made within ninety (90) calendar days after the opening of proposals. Offeror's proposal shall remain firm for the ninety (90) day period.

### **5.11 Award of Contract**

The award of the Contract is described herein.

#### **5.11.1 Method of Award**

The award, if any, shall be made to the responsive, responsible Offeror whose proposal is determined to be the most advantageous to the State taking into consideration the evaluation factors set forth in this RFP.

#### **5.11.2 Responsibility of Successful Offeror (Reference to HRS § 103D-310(c))**

If compliance documents have not been submitted to the Commission prior to award, the Successful Offeror shall produce documents to the Procurement Officer to demonstrate compliance with this section.

The Successful Offeror shall obtain and pay for all permits, certificates, and licenses required and necessary for the performance of the work specified herein prior to commencing work under this contract; shall post all notices required by law, and shall comply with all laws, ordinances, and regulations bearing on the conduct of the work specified.



### 5.11.3 Timely Submission of all Compliance Documents

The required compliance documents should be applied for and submitted to the Commission as soon as possible. If a valid compliance document(s) is not submitted on a timely basis for award of the Contract, an Offeror otherwise responsive and responsible may not receive the award.

### 5.11.4 Certificates

The required certificates should be applied for and submitted to the Commission as soon as possible. If a valid certificate is not submitted on a timely basis for an award of the Contract, an Offeror otherwise responsive and responsible may not receive the award.

### 5.11.5 Final Payment Requirements

See Hawai'i Compliance Express in Section 5.4.1. The Successful Offeror is required to submit a tax clearance certificate for final payment on the Contract. A tax clearance certificate, not over two months old, with an original green certified copy stamp, must accompany the invoice for final payment on the Contract.

In addition to the tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22) will be required for final payment. A copy of this form is available at [www.spo.hawaii.gov](http://www.spo.hawaii.gov). Select "Forms for Vendors/Contractors" from the menu.

### 5.11.6 HRS Chapter 237 Tax Clearance Requirement for Award

See Hawai'i Compliance Express in Section 5.4.1.

Otherwise, instructions are as follows:

Pursuant to HRS § 103D-328, the Successful Offeror shall be required to submit an **original** tax clearance certificate issued by the DOTAX and the Internal Revenue Service ("IRS"). **Offerors are urged to submit a valid tax clearance certificate together with their proposals.** If this is not feasible, the certificate should be applied for at DOTAX or the IRS and submitted to the Commission as soon as possible. If a valid certificate is not submitted on a timely basis prior to award of the Contract, an offer otherwise responsive and responsible may be rejected and not considered for award.

The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate. It must be valid on the date it is received by the Commission.

The tax clearance certificate shall be obtained on the State of Hawai'i, DOTAX *TAX CLEARANCE APPLICATION* Form A-6 (Rev. 2006), which is available at the DOTAX and IRS offices in the State of Hawai'i or the DOTAX website, and by mail or fax:

DOTAX Website (Forms): [http://www.hawaii.gov/tax/a1\\_1alphalist.htm](http://www.hawaii.gov/tax/a1_1alphalist.htm)

DOTAX Forms by Fax/Mail: (808) 587-7572

1-800-222-7572

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, to the address listed on the application. Facsimile numbers are:

DOTAX: (808) 587-1488

IRS: (808) 539-1573

The application for the clearance is the responsibility of the Offeror, and must be submitted directly to the DOTAX or IRS and not to the Commission. However, the tax clearance certificate shall be submitted to the Commission.

### **5.12 Contract Execution**

The Successful Offeror receiving an award will be notified by letter and shall be required to enter into a formal written contract. The Commission shall forward the Contract to the Successful Offeror for execution. Contract negotiations shall be completed and Contract shall be executed prior to Contract Start Date specified by the Commission.

No contract shall be considered binding upon the Commission until the Contract has been fully and properly executed by all parties thereto. A performance bond in an amount not to exceed fifty (50) per cent of the amount of the Contract price is required for this Contract pursuant to HAR § 3-122-224.

Any work undertaken or paid for by the Successful Offeror prior to the official Contract commencement date specified on the Contract shall be the responsibility of the Successful Offeror.

### **5.13 Proposal as Part of the Contract**

All of this RFP and the successful proposal shall be incorporated into the Contract.

### **5.14 Contract Administrator**

For the purposes of this contract, Jodi Endo Chai, Executive Officer, is designated the Procurement Officer.

For the purposes of this contract, Gerald Hew, Fiscal Manager, is an authorized representative. All questions should be submitted to HlePRO.

### **5.15 Ownership Rights and Copyright**

The State shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the Successful Offeror pursuant to the Contract, and all such material shall be considered "works made for hire." The State shall also have complete ownership of all software that is purchased under the Contract in order to support a fully operational Program.

All such material and software shall be delivered to the State upon expiration or termination of the Contract. The State, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the Successful Offeror pursuant to the Contract.

#### **5.16 Contract Modification – Unanticipated Amendments**

During the course of the Contract, the Program Administrator may be required to perform additional work that will be within the general scope of the Contract. When additional work is required, the Commission will provide the Program Administrator a written description of the additional work and request the Program Administrator to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.

Changes to the Contract may be modified only by written document (supplemental contract or contract modification) signed by the Contracting Officer and Program Administrator personnel authorized to sign contracts on behalf of the Program Administrator. The Program Administrator will not commence additional work until a signed contract modification has been issued.

#### **5.17 Subcontracting**

No work or services shall be subcontracted without the prior written approval of the Contract Manager. No subcontract shall under any circumstances relieve the Successful Offeror of its obligations and liability under this contract with the State. All persons engaged in performing the work covered by the contract shall be considered employees of the Successful Offeror.

#### **5.18 Protest Procedure**

Pursuant to HRS §103D-701 and HAR § 3-126-3, an actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a contract may submit a protest. A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of offers. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award of the Contract.

Any protest shall be submitted in writing to the Procurement Officer, Public Utilities Commission, 465 South King Street, Room 103, Honolulu, Hawai'i 96813.

#### **5.19 Governing Law – Cost of Litigation**

The validity of the Contract and any of its terms or provisions, as well as the rights and duties of the parties to the Contract, shall be governed by the laws of the State of Hawai'i. Any action at law or equity to enforce or interpret the provisions of the Contract shall be brought in a state court or competent jurisdiction in Honolulu, Hawai'i.

The State shall, without any fault on its part, be made a part to any litigation commenced by or against the Program Administrator in connection with this Contract, the Program

Administrator shall pay all costs and expenses incurred by or imposed on the State, including attorneys' fees.

#### **5.20 Additional Contract Terms and Conditions**

The Commission reserves the right to add terms and conditions during the Contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluation.

#### **5.21 Contract Invalidation**

If any provision of the Contract is found to be invalid, such invalidity will not be construed to invalidate the entire Contract.

#### **5.22 Inspection & Modifications – Reimbursement for Unacceptable Deliverables**

The Successful Offeror is responsible for the completion of all work set out in the Contract. All work is subject to inspection, evaluation, and approval by the Contract Manager and Procurement Officer. The State may employ all reasonable means to ensure that the work is being performed in compliance with the Contract.

Should the Contract Manager determine that corrections or modifications are necessary in order to accomplish its intent; the Successful Offeror may be directed to make such changes.

Substantial failure of the Successful Offeror to perform the Contract requirements may cause the State to terminate the Contract. In this event, the State may require the Successful Offeror to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

#### **5.23 Non-Discrimination**

The Program Administrator shall comply with all applicable federal and State laws prohibiting discrimination against any person on the grounds of race, color, national origin, religion, creed, sex, age, sexual orientation, marital status, handicap, or arrest and court records in employment and any condition of employment with the Program Administrator or in participation in the benefits of any program or activity funded in whole or in part by the State.

#### **5.24 Waiver**

The failure of the Commission to insist upon the strict compliance with any term, provision or condition of the Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the Commission's right to enforce the same in accordance with the Contract.

#### **5.25 Severability**

In the event that any provision of the Contract is declared invalid or unenforceable by a

court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of the Contract.

#### **5.26 Termination**

The Commission reserves and has the right, at any time during the term of the Contract, in its sole discretion, to terminate and cancel the Contract in the public interest or for the convenience of the State. The Successful Offeror's obligation under the Contract shall continue until the specified termination date.

#### **5.27 Default**

Pursuant to HAR § 3-125-17, if the Successful Offeror refuses or fails to perform any of the provisions of the Contract with such diligence to ensure that Contract provisions are met, within any time requirements specified in the Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of the Contract, the Procurement Officer may notify the Successful Offeror in writing of the delay or non-performance. If the delay or non-performance is not cured in ten (10) days, or any longer time specified in writing by the Procurement Officer, the Contract may be terminated in whole or in part, as applicable.

## **SECTION 6 – ATTACHMENTS**

- Attachment 1: Offer Form, OF-1
- Attachment 2: Offer Form, OF-2
- Attachment 3: Wage Certificate
- Attachment 4: Vendor Reference Form
- Attachment 5: AG General Conditions