

General Manager

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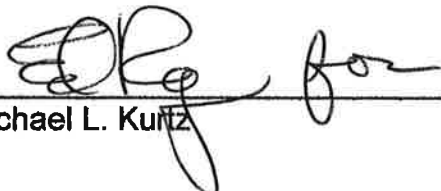
DATE: July 15, 2005
TO: Honorable Mayor and Members of the City Commission
FROM: Michael L. Kurtz, General Manager
SUBJECT: RFP for Independent Consultation

Attached please find the following documents:

1. Request for Proposals for Independent Consultation on Options for Meeting the Future Electrical Supply Needs of the Gainesville Community (Draft dated 7/15/05).
2. Proposed Evaluation Criteria (One page draft dated 7/15/05).

These are backup items for the City Commission meeting Wednesday, July 20, 2005. The "Scope of Services" document that was revised at the City Commission Meeting on July 12, 2005, with strikeouts and underlines, is Attachment A to the Request for Proposals (RFP). We have provided the entire RFP document in anticipation of questions regarding procedural matters (such as how to obtain the RFP and addenda, if any, etc.). Note that the proposed evaluation criteria described in item 2 above has been worked into the RFP.

Respectfully submitted,



Michael L. Kurtz

Attachment

cc: Clerk of the Commission
Charter Officers

**CITY OF GAINESVILLE
d/b/a GAINESVILLE REGIONAL UTILITIES**

**REQUEST FOR PROPOSALS FOR
INDEPENDENT CONSULTATION ON OPTIONS FOR MEETING THE ELECTRICAL
SUPPLY NEEDS OF THE GAINESVILLE COMMUNITY**

RFP NO. 2005-147

July XXXXX, 2005

The City of Gainesville, d/b/a Gainesville Regional Utilities ("City" or "GRU") is requesting proposals from qualified consultants to perform fact finding and analysis of no more than four alternative approaches for meeting the electrical supply needs of the Gainesville community as detailed in Attachment A entitled "*Scope of Services for Independent Consultation on Options for Meeting the Future Electrical Supply Needs of the Gainesville Community*".

Nine (9) copies of the Proposal should be sent to and received **no later than 2:00 p.m., local time, XXXXXXXXXXXX, 2005, at the following address:**

Gainesville Regional Utilities
Purchasing Division
P.O. Box 147117, Station A-130
Gainesville, FL 32614-7117

or hand delivered (by firm or express courier) to the address given below **no later than 2:00 p.m., local time, XXXXXXXXXXXX, 2005.**

Gainesville Regional Utilities
Purchasing Division
301 S.E. 4th Avenue
Gainesville, FL 32601

Submittals should indicate on the envelope and cover sheet the following information:

**Request for Proposal for
INDEPENDENT CONSULTATION ON OPTIONS FOR MEETING THE ELECTRICAL SUPPLY
NEEDS OF THE GAINESVILLE COMMUNITY
RFP No. 2005-147**

**ANY PROPOSAL SUBMITTED AFTER THE DUE DATE AND TIME SPECIFIED WILL NOT BE
CONSIDERED.**

Ralph O. Wisco
Senior Buyer

**GAINESVILLE REGIONAL UTILITIES
REQUEST FOR PROPOSALS FOR
INDEPENDENT CONSULTATION ON OPTIONS FOR MEETING THE ELECTRICAL
SUPPLY NEEDS OF THE GAINESVILLE COMMUNITY**

RFP NO. 2005-147

1.0 PURPOSE AND SCOPE.

Please see Attachment A for the detailed explanation of purpose and scope.

2.0 BACKGROUND.

Please see Attachment A for the background surrounding this project.

3.0 EXAMINATION OF CONTRACT DOCUMENTS.

3.1 It is the responsibility of each Proposer before submitting a Proposal, to (a) examine the RFP thoroughly, (b) if applicable, visit the sites to become familiar with local conditions that may affect cost, progress, performance or furnishing of the Work, (c) consider federal, state and local Laws and Regulations that may affect cost, progress, performance or furnishing of the Work, (d) study and carefully correlate Proposer's observations with the Request for Proposal, and (e) notify the Purchasing Representative of all conflicts, errors or discrepancies in the RFP. Failure to do so will be at Proposer's own risk. A Proposer shall not be relieved of a requirement of this RFP on the plea of error.

3.2 A Proposer who is aggrieved in connection with the specifications of this RFP may protest in writing to Utilities Purchasing prior to the RFP due date.

4.0 INTERPRETATIONS AND ADDENDA.

4.1 All questions about the meaning or intent of the RFP are to be directed to Ralph Wisco, Senior Buyer. Questions may be faxed to 352-334-2989 or e-mailed to wiscoro@gru.com. Interpretations or clarifications considered necessary in response to such questions will be issued by Addenda mailed or delivered to all parties recorded as having received the RFP. Questions received less than four (4) days prior to the closing date may not be answered. Only questions answered by formal written Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.

4.2 Addenda may also be issued to modify the RFP as deemed advisable by the Purchasing Representative. Proposers are responsible for checking with Ralph Wisco or the GRU web site to ensure they have received any addenda that have been issued.

4.3 Addenda issued by GRU prior to the opening date shall be binding as if written into the RFP. Proposers are required to acknowledge receipt of the same in their proposal.

5.0 MODIFICATION AND WITHDRAWAL OF PROPOSALS.

5.1 Proposals may be modified or withdrawn by an appropriate document duly executed (in the manner that a proposal must be executed) and delivered to the place where proposals are to be submitted at any time prior to the opening date.

5.2 After closing date, corrections in the proposals shall be permitted: 1) only to the extent that the Proposer can show by clear and convincing evidence a mistake of a nonjudgmental character was made; 2) the nature of the mistake is evident; and 3) the proposal price intended is evident. After the closing date, no changes in proposal prices or other provisions of the proposal prejudicial to the interest of the City or fair competition shall be permitted. In lieu of proposal correction, a Proposer alleging a material mistake of fact may be permitted to withdraw its proposal, at the option of the City

if: (a) the mistake is clearly evident on the face of the proposal but the intended correct proposal is not similarly evident; or, (b) the Proposer submits evidence which clearly and convincingly demonstrates that a good faith mistake (without negligence of the Proposer) was made.

6.0 COSTS IN DEVELOPMENT OF PROPOSAL.

6.1 Costs for developing a response to this RFP are entirely the obligation of the Proposer and shall not be charged in any manner to City.

7.0 GENERAL TERMS OF AWARD.

7.1 GRU reserves the right to reject any and all proposals, to waive any and all informalities or irregularities, and the right to disregard all nonconforming, nonresponsive, unbalanced or conditional proposals. Also, GRU reserves the right to reject the proposal of any Proposer if GRU believes that it would not be in its best interest to make an award to that Proposer, whether because the proposal is not responsive or the Proposer is unqualified or of doubtful financial ability or fails to meet any other pertinent standard or criteria established by GRU.

7.2 Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

7.3 GRU may conduct such investigations as it deems necessary to assist in the evaluation of any proposal and to establish the responsibility, qualifications and financial ability of Proposers, proposed Subcontractors, suppliers and other persons and organizations to perform and furnish the Work in accordance with the contract documents to GRU'S satisfaction within the prescribed time.

7.4 If the contract(s) is to be awarded, GRU will give the successful Proposer a Notice of Award within sixty (60) days after the day of the Proposal opening.

7.5 As a result of this RFP, GRU intends to enter into an agreement with one or more consultants as noted in the section entitled SELECTION OF CONSULTANTS in Attachment A. The proposal will not constitute a contract but, rather, will supply provisions which will, if accepted, be incorporated by reference into the agreement between the parties. All material submitted with the proposal shall be considered a part of the proposal and will be incorporated into the agreement to the extent accepted by GRU. Responses to questions that occur during the proposal evaluation period may be included as part of the contract. The contract awarded under this RFP will require approval of the Gainesville City Commission and shall be interpreted under and governed by the laws of the State of Florida.

7.6 The request for proposal solicitation process is in accordance with and subject to the City of Gainesville Purchasing Policies and Gainesville Regional Utilities Purchasing Procedures.

8.0 CONDITIONS ESTABLISHED BY CITY.

A. Late Submittals: Any responses submitted after the due date specified in the RFP will not be considered and will be returned.

B. Rejection of Submittals: GRU reserves the right to reject any and all submittals received in response to the RFP as determined to be in the best interest of GRU. Non-acceptance of any proposal will not imply any criticism of the proposal or convey an indication that the proposal was deficient. Non-acceptance of any proposal will mean that another proposal was deemed more advantageous to GRU.

C. All materials submitted in response to the RFP become the property of GRU and will be returned only at the option of GRU.

9.0 SALES TAX.

The proposal should not include Florida sales taxes on the proposal price for equipment, materials or services to be provided to GRU. The City of Gainesville is exempt from Florida sales taxes for certain purchases and will provide a tax-exempt certificate upon request.

10.0 USE OF RFP IDEAS.

Except as otherwise prohibited by law, GRU has the right to use any and all ideas presented in response to this RFP, whether amended or not. Selection or rejection of the proposal does not affect this right.

11.0 PUBLIC ENTITY CRIME.

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

11.1 Bidder shall be responsible for any violation of the current policies regarding debarment/suspension/termination which have been issued by the Utilities Purchasing Division. A copy of these policies is attached to this ITB.

11.2 Rejection of Bids, Termination of Contract.

11.2.1 Previously solicited and/or accepted bids may be rejected or acceptance revoked prior to beginning of performance upon discovery by the City that the bidder or its affiliates have committed any act which would have been cause for debarment.

11.2.2 If the City discovers, after a contract is awarded and performance has begun, that the Bidder or its affiliates have committed any act subsequent to or prior to award or acceptance which would have been cause for debarment had it been discovered prior to solicitation or acceptance, the City may consider such to be a material breach of the contract and such shall constitute cause for termination of the contract.

12.0 PROPOSAL FORMAT.

Proposals must, at a minimum, include the information requested in the section entitled SUBMITTAL REQUIREMENTS of Attachment A.:

13.0 PREPARATION OF PROPOSAL.

13.1 Proposals by corporations must be executed in the corporate name by the president, a vice-president, or other corporate representative accompanied by evidence satisfactory to GRU of such person's authority to sign. The corporate address and state of incorporation must be shown below the signature.

13.2 Proposals by partnerships must be executed in the partnership name and signed by a partner, whose title must appear under the signature, and the official address of the partnership must be shown below the signature.

13.3 All names must be typed or printed below the signature.

- 13.4 Only one proposal from any individual, firm, corporation, organization or agency under the same of different name shall be considered. Should it appear to GRU that any Proposer has interest in more than one proposal, all proposals in which such Proposer has interest shall be rejected.
- 13.5 Responses to this RFP upon receipt by GRU, become public records subject to the provisions of Chapter 119, *Florida Statutes*, Florida's Public Records Law. Should a Proposer feel that any portion or all of its response is exempt from the Florida Public Records Law, its response should clearly assert such exemption and the specific legal authority for the asserted exemption.
- 13.6 The Proposer, by affixing the authorized signature to the proposal, declares that the bid is made without any previous understanding, agreement, or connections with any persons, firms, or corporations making a bid on the same items and that it is in all respects fair and in good faith without any outside control, collusion or fraud.
- 13.7 No City Commissioner, other City officer, or City employee may directly or indirectly own more than five (5) percent of the total assets or capital stock of the bidding entity, nor directly or indirectly benefit by more than five (5) percent from the profits or emoluments of this contract. [For purposes of this paragraph, indirect ownership or benefit does not include ownership or benefit by a spouse or minor child.]

14.0 SUBMISSION OF PROPOSALS.

Nine (9) copies of the proposal should be delivered to Gainesville Regional Utilities, Purchasing Division, 301 S.E. 4th Avenue, Gainesville, FL 32601, by **2:00 p.m., local time. XXXXXXXXXXXX, 2005**. Proposals may also be mailed to Gainesville Regional Utilities, Purchasing Division, P.O. Box 147117, Station A130, Gainesville, FL 32614-7117, but must be received by 2:00 p.m., local time, on **XXXXXXXXXXXX, 2005**.

Proposals may be mailed to:

**Gainesville Regional Utilities
Utilities Purchasing, Station A-130
P.O. Box 147117,
Gainesville, Florida 32614-7117**

or delivered to:

**Gainesville Regional Utilities
Utilities Purchasing
Third Floor Administration Building
301 S.E. 4th Avenue
Gainesville, Florida 32601**

Proposals must be clearly labeled: "Request for Proposal for INDEPENDENT CONSULTATION ON OPTIONS FOR MEETING THE ELECTRICAL SUPPLY NEEDS OF THE GAINESVILLE COMMUNITY RFP No. 2005-147"

15.0 EVALUATION CRITERIA.

The following criteria will be used to evaluate and score proposals to make a recommendation for award.

- Professional Qualifications
- Previous Experience
- Cost
- Methodology
- Availability

16.0 SOVEREIGN IMMUNITY

Nothing in this document shall be interpreted to waive the City's sovereign immunity.

17.0 CANCELLATION

If the term of the Contract resulting from this bid continues beyond the current fiscal year and funds for such Contract are not approved during a subsequent fiscal year, GRU reserves the right to terminate such Contract without cause upon thirty (30) days written notice to Contractor.

18.0 INDEMNIFICATION

The Contractor shall indemnify and hold harmless GRU and its elected and appointed officials from all suits, actions or claims of any character brought on account of any injuries or damages received or sustained by any person, persons, or property by or from the said Contractor or by or in consequence of any neglect in safeguarding the work through the use of unacceptable materials or workmanship or by or on account of any activity or omission, neglect or misconduct of the Contractor or a Subcontractor or by or on account of any claim or amounts recovered from any infringement of patent, trademark, or copyright or from any claims or amounts arising or recovered under the "Worker's Compensation Law" or any other law, by-laws, ordinance, order or decree.

19.0 GOVERNING LAW

Any resulting transaction hereunder shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the principles of conflict of laws thereof. Venue over all disputes shall be in Eighth Judicial Circuit, Alachua County, Florida.

20.0 TERM OF AGREEMENT

The term of the Contract shall commence upon execution of a contract and will terminate upon acceptance by the City Commission of the final report. However, with concurrence by the Contractor, GRU reserves the right to negotiate and amend the contract for additional work should it be deemed desirable to do so.

21.0 INSURANCE

The Contractor shall have insurance acceptable to the City.

22.0 LOCAL VENDOR PREFERENCE

The Local Vendor Preference Ordinance applies to bids for goods or services estimated to exceed \$50,000. A copy of the Codified Ordinance follows:

Sec. 2-620. Findings of fact.

The city annually spends significant amounts on purchasing personal property, materials, and contractual services and in constructing improvements to real property or to existing structures. The dollars used in making those purchases are derived, in large part, from taxes, fees, and utility revenues derived from local businesses in the corporate city limits of Gainesville, and the city commission has determined that funds generated in the community should, to the extent possible, be placed back into the local economy. Therefore, the city commission has determined that it is in the best interest of the city to give a preference to local businesses in the corporate city limits of Gainesville in making such purchases whenever the application of such a preference is reasonable in light of the dollar-value of proposals received in relation to such expenditures.

(Ord. No. 001261, § 1, 3-29-04)

Sec. 2-621. Definition.

"Local business" means the vendor has a valid occupational license, issued by the City of Gainesville at least six months prior to bid or proposal opening date, to do business in said locality that authorizes the business to provide the goods, services, or construction to be purchased, and a physical business address located within the limits of said locality, in an area zoned for the conduct of such business, from which the vendor operates or performs business on a day-to-day basis. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be eligible for local preference, the vendor must provide a copy of the occupational license.
(Ord. No. 001261, § 2, 3-29-04)

Sec. 2-622. Local preference in purchasing and contracting.

In bidding of, or letting contracts for procurement of, supplies, materials, equipment and services, as described in the purchasing policies, the city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, as described below, and in any event the cost differential should not exceed \$25,000.00. Total bid price shall include not only the base bid price but also all alterations to that base bid price resulting from alternates which were both part of the bid and actually purchased or awarded by the city commission or other authority. In the case of requests for proposals, letters of interest, best evaluated bids, qualifications or other solicitations and competitive negotiation and selection in which objective factors are used to evaluate the responses, local businesses are assigned five percent of the total points of the total evaluation points.
(Ord. No. 001261, § 3, 3-29-04)

Sec. 2-623. Exceptions to local preference policy.

The preference set forth in this Article X shall not apply to any of the following purchases or contracts:

- (1) Good or services provided under a cooperative purchasing agreement;
- (2) Contracts for professional services procurement of which is subject to the Consultants' Competitive Negotiation Act (F.S. § 287.055) or subject to any competitive consultant selection policy or procedure adopted or utilized by the city commission or charter officer;
- (3) Purchases or contracts which are funded, in whole or in part, by a governmental entity and the laws, regulations, or policies governing such funding prohibit application of that preference; or
- (4) Purchases made or contracts let under emergency or noncompetitive situations, or for litigation related legal services, etc., as such are described in the city's purchasing policies;
- (5) Purchases with an estimated cost of \$50,000.00 or less;
- (6) Application of local preference to a particular purchase, contract, or category of contracts for which the city commission is the awarding authority may be waived upon written justification and recommendation of the charter officer and approval of the city commission. The preferences established herein in no way prohibit the right of the city commission or other purchasing authority to compare quality or fitness for use of supplies, materials, equipment and services proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Further, the preferences established herein in no way prohibit the right of the city commission or other purchasing authority from giving any other preference permitted by law in addition to the preference authorized herein.

(Ord. No. 001261, § 4, 3-29-04)

Sec. 2-624. Application, enforcement.

The local preference shall apply to new contracts for supplies, materials, equipment and services first solicited after October 1, 2004. This article shall be implemented in a fashion consistent with otherwise applicable city purchasing policies and procedures.

(Ord. No. 001261, § 5, 3-29-04)

***Editor's note:** Section 9 of Ord. No. 001261 states: "This ordinance shall become effective October 1, 2004, and shall be reviewed by the City Commission October 1, 2005, and unless extended by action of the City Commission, shall be deemed repealed effective March 31, 2006, provided that it shall remain applicable to new contracts solicited prior to repeal."

STATEMENT OF NO BID

TO: City of Gainesville/Gainesville Regional Utilities
P. O. Box 147117, Mail Station A-130
301 SE 4th Avenue
Gainesville, Florida 32614-7117
Fax: (352) 334-2989

PROJECT: Consultation on Options for Meeting Future Electrical Supply Needs of Gainesville

VENDOR: _____

VENDOR'S ADDRESS: _____

DATE: _____

VENDOR'S REPRESENTATIVE:

(Name) Telephone number: _____
Fax number: _____

The above Vendor declines to submit a bid on the referenced bid for the following reason(s):

- _____ No longer offers the service or product in this type of bid and requests to be removed from the vendor's list for this service or product.
- _____ Our schedule will not permit us to perform the work.
- _____ Do not have the time to bid at this time but requests to remain on the vendor's list.
- _____ Insufficient time to respond to the Invitation to Bid
- _____ Unable to meet specifications.
- _____ Unable to meet the insurance requirements.
- _____ Unable to meet the bond requirements.
- _____ Other _____

Remarks: _____

IF A STATEMENT NO-BID IS NOT EXECUTED AND RETURNED, THE VENDOR'S NAME MAY BE DELETED FROM THE LIST OF GAINESVILLE REGIONAL UTILITIES' QUALIFIED VENDORS FOR THIS SERVICE OR PRODUCT.

ATTACHMENT A

REQUEST FOR PROPOSALS FOR INDEPENDENT CONSULTATION ON OPTIONS FOR MEETING THE ELECTRICAL SUPPLY NEEDS OF THE GAINESVILLE COMMUNITY

RFP NO. 2005-147

Attachment A consists of: Statement of Purpose, Expectations, etc
Appendix A - Background & Proposed Electrical Supply Plan
Appendix B – Concerns & Questions
Exhibit 1 – List of Documents & Materials Illustrating Issues & Questions

SCOPE OF SERVICES
FOR INDEPENDENT CONSULTATION
ON OPTIONS FOR
MEETING THE FUTURE ELECTRICAL SUPPLY NEEDS
OF THE GAINESVILLE COMMUNITY

STATEMENT OF PURPOSE

This Request for Proposal seeks consultants to help the Gainesville City Commission identify:

- (1) The best goals with regard to meeting the future energy requirements of the Gainesville community; and
- (2) The best approach(es) for doing so.

STATEMENT OF EXPECTATIONS FOR THE CONSULTATION

1. The consultants shall act as a team and shall deliver one written report.
2. The report shall include an analysis of the best goals that will help the City Commission identify the best goals Gainesville can have regarding meeting the future energy requirements of its citizens.
3. The report shall provide recommendations based fact finding and analysis on a comparison of up to including strengths/weakness of no more than four alternative approaches for best achieving these goals. One of the four alternatives is to be the proposal developed by the Gainesville Regional Utilities (GRU) staff as submitted to the City Commission on January 31, 2005 (see Appendix A). One example of an alternative approach might be a mix of fuels, technologies and conservation practices different from the staff proposal. Another example of an alternative approach might be based on utilizing distributed (dispersed) energy generation sources rather than (or in support of) a central station.
4. The report shall provide an fact finding and analysis of the alternatives in terms of their costs and benefits compared to all other reasonable alternatives. Costs and benefits of concern to our citizenry include impacts on the environment, public health, revenue transfer to City budget, City and GRU bond ratings, short-term and long-term affordability for citizens, reliability of service delivery, local economic development, local employment opportunity, and property values. The comparisons shall be made under consistent assumptions

related to load growth, fuel cost forecasts, regulatory environments, and price escalation for goods and services.

5. The report shall also explain how the costs and benefits of the alternatives compare in the context of possible changes in fuel prices, power generation technologies, power utilization technologies, regulations governing pollution, energy conservation and efficiency practices, alternative schedules for implementation, and policies for evaluating demand side management and energy efficiency programs (eg, Rate Impact Measure (RIM), Participant Cost, Total Resource Cost economic evaluation criteria).

6. The report shall review, explain and evaluate the models, tools, data, and range of alternatives used to analyze Gainesville's energy requirements and alternatives for meeting them.

7. The report shall be written in terms that City Commissioners, citizens of Gainesville and local university experts will find comprehensible and useful for our community decision-making.

CURRENT ASSUMPTIONS WITH REGARD TO MEETING OUR FUTURE ENERGY NEEDS

The City Commission wishes to identify benefits that might be obtained from options that might be made available by modifying the planning objectives criteria used to develop the currently proposed plan (see Appendix A). This is to be accomplished by developing alternative plans and comparing them to the current proposed plan. Accordingly, the Consultant(s) will be free to propose planning objectives and assumptions that differ from those listed in Appendix A. The extent to which a different objective or assumption being proposed is consistent with prudent utility practice shall be described, but newer technologies and practices may be employed in identifying alternative plans.

Appendix B lists some of the Commission's key questions and issues that it wishes the Consultant(s) to consider in developing their recommendations. Exhibit 1 contains a list of documents and materials that will be provided prior to the consultant's notice to proceed. These form the basis of the currently proposed plan and further illustrate the issues and questions that the Commission has been asked to consider. ~~(Note: a draft of Exhibit 1 is attached - sometimes referred to as "the box" of background materials).~~

CONSULTANCY SCHEDULE

1. The consultants shall deliver a written draft of their report to the City Commission within 120 calendar days from the City's issuance of a notice to

proceed.

2. The City Commission, with support from staff, shall identify points for further analysis or clarification, and send them in writing to the consultants within 30 calendar days of receiving the draft report.

3. The consultants shall thereafter prepare their final report in consideration of the City's review of the draft and submit it in written and electronic format to the City Commission within 30 calendar days of receiving the Commissions' written comments. The consultants shall make a final presentation of the report at a subsequent City Commission meeting and answer questions at that time.

QUALIFICATIONS FOR CONSULTANTS

Qualified consultants:

1. Will have professional qualifications relevant to the analysis of issues regarding power production, utility planning, utility regulation, future pricing of energy producing technologies and fuels, changes in the pollution control regulations, practices for reducing demand through conservation and efficiency, pollution control and health concerns;

2. Must not have any conflict of interest (for example, financial or professional gain) regarding any technology or set of services that might create a bias affecting the credibility of an independent consultation;

3. May include ~~individuals, a pre-existing corporation, or a consortium of individuals or a consortium of business entities~~ assembled for the purposes of conducting the independent consultation;

4. Must not be City of Gainesville staff, elected officials, members of City of Gainesville's citizen advisory committees or their related family members;

5. Must not have provided services or received payment as part of the development of the proposed long term electrical supply plan and must not currently be under contract to the City of Gainesville.

SELECTION OF CONSULTANTS

The City Commission shall select up to five participants, a consortium or consulting group, or any combination thereof one or more consultants. The City Commission shall retain the ability to reject all proposals.

SUBMITTAL REQUIREMENTS

The minimum contents of a submittal for any candidate to be considered for selection under this Request for Proposal are:

1. A resume of professional qualifications;
2. A listing of previous projects that would indicate the candidate's suitability for this Scope of Services, together with references for individuals familiar with the candidate's performance related to these projects;
3. A cost estimate including all related fees and expenses required to provide the proposed services;
4. A proposed methodology for conducting the independent consultation;
5. A statement of the time available for performing the consultation within the time allotted by the project schedule.

~~SUNSHINE LAW COMPLIANCE—alternative #1~~

~~The consultants are expected to do the research, analysis and other work necessary to this project in a professional and independent manner and as a team.~~

~~If, however, meetings are held to make decisions on the direction of public policy to meet the City's energy requirements, those meetings shall be held in accord with the "Government in the Sunshine Law" of the State of Florida. The required reasonable notice will enable the media and the general public to attend all discussions by the consultants. The Public has the right to attend but public participation is discretionary under the Sunshine Law in this set of circumstances.~~

~~SUNSHINE LAW COMPLIANCE—alternative #2~~

~~Any discussion or deliberations, whether formal or casual, of two or more consultants performing this independent consultation on matters upon which foreseeable action will be taken by the City Commission are subject to Florida's Government in the Sunshine Law (the "Sunshine Law"). The required reasonable notice will enable the media and the general public to attend all discussions by the consultants. The Public has the right to attend but public participation is discretionary under the Sunshine Law in this set of circumstances.~~

ACCESS TO STAFF RESOURCES

The consultants, acting in coordination, may interview City Commissioners and staff and may request additional information, data or analyses through the Commission. The Commission will provide a liaison to the consultants to facilitate responding to these requests. The consultant will also consider written input from the public.

PAYMENT

Payment will be made pursuant to a contractual agreement to be entered into with the Consultant upon submittal of monthly invoices to Accounts Payable.

APPENDIX A BACKGROUND AND PROPOSED ELECTRICAL SUPPLY PLAN

The City of Gainesville, Florida is the county seat and population center of Alachua County. The unique physical resources and climate of Gainesville affect the energy needs and renewable energy opportunities for the community. Protecting the environmental benefits and recreational aspects of these features is also key concern for the City Commission.

PHYSICAL RESOURCES AND CLIMATE

Gainesville is an inland community located in north central Florida with an estimated urban population of 179,000 (117,000 in the incorporated city limits). Located about 110 miles north of Orlando and 75 miles southwest of the Jacksonville, Gainesville is roughly midway between the Atlantic Ocean to the east and the Gulf of Mexico to the west. The climate is semi-tropical and humid, with an average temperature of 69°F, 2700 cooling degree days and 1100 heating degree days. Rainfall averages 48 inches per year with a pronounced dry period in early spring and during winter months. As is true for Florida in general, more energy is consumed for cooling and humidity control than for space heating in Gainesville, and the average wind speed is too low to generate electric power.

The convective storms that sweep across Florida from the north in winter cause relatively brief periods of sharp cold weather, and as a result Florida is actually winter peaking in terms of electrical demand. Although Gainesville is further north than most of Florida, it differs from most of the rest of the state in that it does not have peak electrical demands during the winter. This is due to the large market penetration of natural gas to meet heating needs.

The community straddles a major geological divide in Florida. The community transitions from the central highlands plateau in the north and east (elevation 160-180 feet m.s.l.), to the emergent coastal zone to the west and south (elevation 70-80 feet m.s.l.). The central highlands overlay confined aquifers and are dominated by impermeable soils, pine flat woods and cypress stands. The emergent coastal zone consists of unconfined aquifers and is dominated by droughty soils and sand hill vegetative communities. The transition zone has been named the Cody Scarp, and is characterized by surface streams cutting into the clay overburden creating a gently rolling landscape of mesic hammock vegetative communities. Gainesville is bordered to the east with a large, perched water table lake (Newnans' Lake) and to the south and west with karstic formations that alternate between being a wet prairie and a shallow lake (Paynes' Prairie and Lake Kanapaha). The phosphatic nature of the clays underlying the

central highlands results in the eutrophic character of these surface water features.

The underlying limestone formations of Florida, combined with the changing elevation and aquifer types across the Cody Scarp results in a region characterized by sinkholes, disappearing streams and rivers as well as many cool, clear springs. The small changes in elevation, porous geological formations, and urbanization of stream and river valleys results in an inability to develop hydroelectric power. The deep limestone formations and a lack of magma presence result in geothermal energy for electric generation also not being available.

North central Florida supports major forestry industries that leave behind substantial quantities of biomass as a result of their harvesting activities that is typically burned. Central highland and sand hill natural ecosystems, prevalent in north central Florida are fire adapted, and encroaching urbanization has reduced the frequency with which these systems are burned. Unfortunately, the consequent buildup of fuel creates hot fires that kill rather than maintain the forests. As a result, there is a growing campaign to mechanically remove biomass in order to preserve natural systems. The forest waste and harvested biomass present an opportunity to utilize renewable energy while reducing particulate emissions.

Known as the "Sunshine State", Florida actually has less solar energy than many dryer, less humid areas of the country. Studies by the Florida Solar Energy Center and the Governor's Energy Office have found passive solar design and thermal water heating to be the most cost-effective forms of solar energy to use in Florida.

COMMUNITY VALUES

The Gainesville community has a diverse population with a variety of sub-sections and with a variety of values. Among those values are environmental purity and beauty, productive work, prosperous economy, high quality education, high quality public services, outdoor recreation, creative arts, social justice, neighborliness, personal rights, health care, democratic participation, ~~outdoor recreation, creative arts,~~ and integrity and competence in service of the public good.

GAINESVILLE'S ECONOMY

Gainesville's economy is dominated by service sector employment in the educational and medical industries, with associated retail support services. As a

result, the community has a substantial portion of low income households. Gainesville is the home of the University of Florida with 48,000 students and Santa Fe Community College with 10,000 students. Both of these are major state educational institutes. As a result, a substantial fraction of dwelling units (45.1%) in the area are rental units, nearly twice the state average. The Shands teaching hospital at the University of Florida, combined with the local Veterans Administration hospital as well as private sector facilities has made Gainesville into a major catchment area for health care in north central Florida. Ideas and concerns from both faculty and students have infused all aspects of municipal government, and the City Commission has often entered into partnerships that support University as well as local initiatives.

Because of the preponderance of publicly owned and tax exempt facilities, over half the property in the City of Gainesville is exempt from ad valorem property taxes. A substantial portion of the City of Gainesville's operating revenues are obtained from transfers from utility operations (approximately 32%).

GAINESVILLE REGIONAL UTILITIES

Gainesville Regional Utilities (GRU) is a municipal electric, natural gas, water, wastewater and telecommunications utility owned and operated by the City of Gainesville Florida. GRU provides retail utility services to approximately 132 square miles of both incorporated and unincorporated areas of the Gainesville Urban Area, as well as retail gas services to the adjacent City of Alachua. GRU provides wholesale electric power to a contiguous portion of the Gainesville urban area as well as to the City of Alachua. Table 1 below summarizes the number of electrical customers and electrical sales to the major customer groups served by GRU. The electrical system is self generating with a portfolio of steam, combustion turbine, and combined cycle units using coal, natural gas, oil, and nuclear fuels. Details concerning GRU's customer base, electric generating facilities, fuel supplies, and long range plans may be found on www.GRU.com, under "future power needs".

The City Commission, through its utility operations, supports the use of renewable energy and energy conservation. The local utility provides information, energy surveys, and rebates for energy efficient appliances and solar water heating to promote energy efficiency and renewable energy. Rebates are also available to customers for the conversion of electrical appliances to natural gas. A "green power" program is available for customers who wish to support renewable energy, and funds from this program have been used for a number of solar electric demonstration projects as well as for a facility to convert landfill gas (methane) to electricity. The average electrical use of Gainesville's residential customers is the lowest of any urban area in Florida (11,000 kilowatt-hours per year vs. the state average of 14,000 kilowatt-hours per year). Extensive community outreach conducted as part of developing the

proposed plan described in Appendix A identified the following core community values surrounding energy supplies:

- Reliable and affordable energy supplies
- A healthy environment
- Conservation of natural resources
- Economic development

Forecasts of electrical load and energy, the planned retirement schedule for older generating units, and integrated resource planning studies indicate the need additional base load electrical generation capacity by 2011. Appendix A summarizes the status of planning studies and proposals, with a detailed listing of the fundamental planning objectives and assumptions that have been applied. The long term plan developed under these assumptions is summarized in Appendix A.

Table 1
GRU Electric System Sales and Customers¹

<u>Customer Type</u>	<u>Customers</u>	<u>Energy (MW/Yr)</u>	<u>% Energy</u>
Retail			
Residential	78,219	872,934	43.7%
Non-Residential	9,388	942,039	47.2%
Street & Outdoor Lighting	=	<u>25,177</u>	<u>1.2%</u>
Total Retail	87,607	1,840,150	92.1%
Firm Wholesale			
Alachua		95,894	4.8%
Clay (SEC)		<u>61,239</u>	<u>3.1%</u>
Total Wholesale		<u>157,133</u>	<u>7.9%</u>
Total System		1,997,283	100.0%

1. Fiscal Year 2005 Projections with Actual-to-Date through March

FUTURE ELECTRICAL REQUIREMENTS

GRU's electrical system self generating with a portfolio of steam, combustion turbine, and combined cycle units using coal, natural gas, oil, and nuclear fuels. Details concerning GRU's customer base, electric generating facilities, fuel supplies, and long range plans may be found on www.GRU.com, under "future power needs". Of particular relevance to this Scope of Services are the

documents to be found under "future power needs- index of articles" on this web site entitled:

1. Alternatives for Meeting Gainesville's Electrical Requirements Through 2022;
2. Planning Study of the Effects of Gainesville's Long Term Electrical Energy Supply Plans on Ambient Air Quality and Greenhouse Gas Emissions;
3. Staff Response to Long Term Electrical Supply Plan Questions, Issues, and Recommendations;
4. Gainesville Regional Utilities 2005 Ten Year Site Plan Filed with the Florida Public Service Commission.

Forecasts of load and energy and the planned retirement schedule of older generating units have lead staff to conclude the need for additional base load electrical capacity by 2011. GRU staff, working with a number of environmental and engineering consultants, and after considerable public input from workshops and meetings, has developed an integrated resource plan to meet Gainesville's needs through 2023. The staff's planning objective was to minimize long term revenue requirements while balancing the use of: demand side management, renewable energy and fossil fuels with community interests in environmental protection, affordability, local control and concern over climate change. Staff has developed and proposed a plan based upon the following fundamental planning objectives and assumptions:

1. Meet Gainesville's needs as forecasted through 2023;
2. Minimize long term electrical revenue requirements;
3. Assure reliable and adequate supplies with a minimum of a 15% capacity reserve margin;
4. With the exception of information and low-income assistance programs, demand side management and energy efficiency programs should meet the rate impact measure test with a benefit to cost ratio of at least 1.0;
5. Reduce emissions of regulated air pollutants;
6. Minimize the consumption of potable water;
7. Reduce the carbon intensity of electrical production through a combination of generation efficiency improvements, the use of renewable sources of energy, and carbon offsets;
8. Nuclear capacity would not be available in the planning horizon;

9. Municipal solid waste combustion would not be acceptable to the community;
10. Initially it was assumed that the Deerhaven power plant site would be available for additional generation capacity that would be either: 1) solely owned by GRU or 2) a facility jointly owned with other utilities. In early 2004 the City Commission voted to no longer pursue a jointly owned unit at the Deerhaven plant site;
11. Initially it was assumed that one option for obtaining additional generation capacity was to participate in a facility jointly owned with other utilities located at some distance from the GRU service territory. In early 2004 the City Commission voted to no longer pursue ownership of facilities at a site other than Deerhaven;
12. Evaluate commercially available technologies for producing electricity, including technologies based on fossil fuel as well as renewable energy;
13. Evaluate commercially available technologies for demand side management and consumer energy efficiency;
14. The most abundant, affordable, and benign supplies of renewable energy in the north central Florida region are forest waste products (biomass) and thermal solar water heating;
15. Any recommended plan had to be robust under a wide range of fuel price and load growth scenarios, including up to \$100/ton of carbon dioxide, either as a fuel tax or an opportunity cost;

The proposed plan resulting from these objectives and assumptions includes the following inter-related elements:

1. Meeting an additional 10% of electrical demand through energy conservation and renewable energy;
2. A Greenhouse Gas fund to promote local reductions of greenhouse gases;
3. Additional ambient air quality monitoring;
4. Retrofitting GRU's existing coal fired 220 MW power plant with additional emission controls;

5. Additional solid fuel generation capacity able to use a wide range of fuels, including biomass, coal, and petroleum coke, while reducing overall levels of regulated emissions; and
6. The use of reclaimed water.

Staff based its economic and environmental studies on a nominal 220 net MW circulating fluidized bed plant design, generating up to 30 MW of capacity from forest waste products, and able to utilize up to 50% petroleum coke. Staff has requested authorization to develop a conceptual design for this facility as a 'self build' option. If authorized, staff intends to solicit proposals from the power market for evaluation against this "self build" option.

APPENDIX B CONCERNS AND QUESTIONS

The proposed long term energy plan represents a major financial commitment by the community, and has generated a number of concerns and questions from Commissioners as well as members of the local community. These concern and questions are to be considered and addressed in the alternative plans to be prepared by the Consultant. These concerns and questions address a wide range of topics that may be summarized as:

1. Customer Affordability; The potential for demand side management and energy efficiency to offset the size of the proposed increment of new generation included in the proposed plan;
2. The potential for greater uses of renewable energy than the commitments included in the proposed plan;
3. More comprehensive consideration of environmental externalities;
4. Concerns that continued and increased use of coal is detrimental to human health in Alachua County;
5. The potential for greenhouse gas reductions greater than those included in the proposed plan;
6. Desire to incrementalize investment to hedge financial risk in case forecasts of load growth do not materialize; and
7. The potential for demand side management and energy efficiency to offset the size of the proposed increment of new generation included in the proposed plan Customer Affordability.

Exhibit 1 contains a list of documents and materials that further illustrate the issues and questions that the Commission has been asked to consider. These will be provided prior to the consultant's notice to proceed.

The following questions are included to further illustrate the questions and concerns the City Commission wishes to address through the Independent Consultation.

Demand

Is the demand projection based upon an accurate forecast of population growth of the service area and per capita consumption?

Conservation and Affordability

- (a) What is the optimal tiered rate structure and conservation strategy with respect to impact on income groups or socioeconomic status, maximization of total conservation, and conservation as an economic development tool and alternate tests of conservation such as rate impact versus total resource cost or participant cost?

(b) Could rate structures be implemented that would provide stronger incentives than GRU's current rate structures while being considerate of low income groups?

Emissions

(a) Which fuel and/or mix of fuels and technologies, and/or mitigation or offsetting strategies could be used to give us the least amount of regulated air emissions, mercury, and greenhouse gas emissions?

(b) What is the availability and cost of the various fuel supplies and their transportation over the next 30 years?

(c) Is there a better way to factor environmental externalities, such as the potential impact on property values, healthcare costs, transportation congestion, water supply, and the environmental effects of fuel extraction, as well as economic impacts on residents and businesses, into the decision making process?

(d) Which options minimize the effects on air pollution and the emission of greenhouse gases and are consistent with the City's values as to the negative impacts of fuel extraction on other communities?

Fuel Cost and the Regulatory Environment

What are the projected costs of fuels based on an evolving regulatory environment?

Distributed Versus Point Source

What is the cost effectiveness, economic impact and pollution control impact of a distributed rather than a point source energy generation strategy over the life of the project?

Evolving Technology

What is the optimal technology or mix of technologies based on the factors mentioned above? Does the mix include coal, natural gas, photovoltaic electricity, other solar, biomass, conservation or other?

General Fund Transfer

What is the impact on the General Fund Transfer? What are the impacts of various options on bond ratings?

Reliability

What is the effect on service reliability of the options to be considered?

External Funding Opportunities

What external funding opportunities such as Department of Energy grants exist for alternative approaches?

Exhibit 1

Documentation that has been provided to the City Commission will be made available to the consultants. The following list is an example of the type of documents that are already or will be provided through the Internet at www.gru.com. The City Commission anticipates that members of the public will want to submit additional items for consideration after this RFP is issued. The deadline for inclusion of any item on this list will be fourteen (14) calendar days before the submittal date for proposals in response to this scope of service. All documents will be sorted and indexed.

1. Letters, e-mails and handouts that were presented to the City Commission.

Examples:

- May 25, 2005 e-mail from Commissioner Craig Lowe re: Points of inquiry for independent review of Gainesville energy policy (points presented to the Commission on May 12, 2005).
- Letter to the Commission from Commissioner Jack Donovan presented June 14, 2005.
- David Harlos handout from February 9, 2004 City Commission Meeting
- December 22, 2004 letter from Bill and Rae Marie Gilbert
- February 8, 2004 e-mail from Ceasar Gomez

2. Presentations from, staff, consultants, outside agencies and citizens.

Examples:

- Preliminary Integrated Resource Plan to Meet Gainesville's Electrical Needs Through 2022 (Gainesville Regional Utilities, December 15, 2003).
- New Air Quality Regulations (Gainesville Regional Utilities, April 25, 2005).
- Conservation and Climate Change (Dian Deevey, April 19, 2004)
- A Review of Cost-Benefit Tests for Energy Conservation, Efficiency, and Demand-side Management (Paul M. Sotkiewicz, Director of Energy Studies, Public Utility Research Center, University of Florida, April 19, 2004).

3. Reports and studies from staff, consultants, outside agencies and citizens.

Examples:

- Alternatives For Meeting Gainesville's Electrical Requirements Through 2022 (Gainesville Regional Utilities, December 2003).
- Gainesville Regional Utilities Air Quality Impact Study (Black & Veatch, February 2004).
- Technical Review of Gainesville Regional Utilities Integrated Resource Plan (Alachua County Environmental Protection Department, November 15, 2004).

4. City Commission Meeting Minutes related to Gainesville's Future Energy Needs.

**PROPOSED EVALUATION CRITERIA
FOR
SCOPE OF SERVICES
FOR INDEPENDENT CONSULTATION
ON OPTIONS FOR
MEETING THE FUTURE ENERGY NEEDS
OF THE GAINESVILLE COMMUNITY**

The boiler-plate that will accompany the Scope of Services needs to include the criteria that will be used to eventually select a consultant(s). The exact method of ranking, and the weights (if any) to be applied, do not need to be specified. Staff recommends that the following evaluation criteria be identified in the Request for Proposals. Note that these match the section entitled "Submittal Requirements" in the Scope of Services.

1. Professional Qualifications
2. Previous Experience
3. Cost
4. Methodology
5. Availability

