



REQUEST FOR PROPOSAL
FOR
ENERGY EFFICIENCY PROGRAMS & SERVICES

MAY 11, 2021





May 11, 2021

Subject: Puget Sound Energy
Customer Energy Management
2022-23 Energy Efficiency Services, Request for Proposals

Dear Potential Bidder:

Puget Sound Energy, Inc. (PSE) is soliciting proposals for ***the renewal of existing energy efficiency programs and services AS WELL AS new offerings of energy efficiency programs and services*** for the 2022-2023 program years. This Request for Proposals (RFP) is sponsored by the Customer Energy Management (CEM) group at PSE. The CEM group is soliciting support for existing demand side management products, programs and/or services that will result in direct and measurable gas and/or electric energy savings.

PSE is soliciting proposals for three programs/pilots in these sector topic areas:

- Multifamily Retrofit
- Multifamily and Commercial New Construction
- Telecommunications*

** indicates new or substantially modified program*

The first action item (see Solicitation Timeline in I. Introduction, Section C of the RFP) is to provide a completed Intent to Bid form identifying the sector topic areas for which you would like to submit a proposal. This allows PSE to identify contact(s) for ongoing RFP communications such as answers to questions and RFP updates. Bidder questions are due a week later.

- **Intent to Bid forms are due May 25, 2021** and must be submitted electronically to CEMRFP@pse.com.
- **Bidder Questions are due June 1, 2021** and must be submitted electronically to CEMRFP@pse.com.
- **Electronic proposal responses must be received by no later than 5:00 PM Pacific Time, June 23, 2021** to CEMRFP@pse.com

All communication regarding this RFP should be directed to CEMRFP@pse.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Haida May Malcolm'.

Haida May Malcolm
Senior Market Analyst
Energy Efficiency Services - Puget Sound Energy

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I. INTRODUCTION

The goal of this Request for Proposal (RFP) is to secure bids for the implementation of **existing and new offerings, programs, and services** that will provide energy savings and related services to PSE customers for the 2022-23 program years. This RFP is sponsored by the Customer Energy Management (CEM) department, the PSE division chartered with delivering energy efficiency services to PSE customers. PSE is seeking proposals for 3 new and existing programs and/or program support services that will produce electric and natural gas savings from both residential and business customer sectors throughout the entire service area.

A. Key Considerations for Bidders

- Any products bid through this RFP should be available for implementation starting January 1, 2022 and ending December 31, 2023.
- PSE will determine from the list of responding interested parties, those vendors and contractors with whom PSE, in its sole judgment, wishes to engage in further discussion and/or negotiate a contract.
- PSE is under no obligation to select any proposal or move forward with any proposed program.
- For all awarded contracts, the vendor must collect and provide to PSE staff, data on individual customers, measures, and installations sufficient to enable required energy efficiency evaluation, measurement & verification (EM&V). PSE must approve EM&V, marketing, IT data security, sales and/or promotional plans.
- All conservation measures included in a program proposal must produce savings that can be reliably measured or estimated with accepted engineering methods.
- PSE requires successful bidders to use PSE branding in activities contracted by the parties. Co-branding helps PSE customers recognize that some program activities are authorized by and performed on behalf of PSE. Include in proposal those areas that might be considered for co-branding if company is a successful bidder. Co-branding Guidelines are found in Exhibit F - Doing Business with PSE.
- All bidders must respond to the IT security questions, and must be willing and able to adhere to PSE's data security requirements.
- All bidders must submit a statement accepting the Agreement for Services in Exhibit F or must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.
- Due to the duration of the evaluation, approval, and procurement processes at PSE, proposals are required to be valid for a minimum of ninety (90) days following the deadline for a submission of the proposal. A proposal may not be modified, withdrawn or canceled by the bidder during this period of time. The bidder agrees to this condition by submission of a proposal.

B. PSE's Critical Factors and Key Priorities for 2022-23

Table 1 outlines the Critical Factors that all written responses must meet in order to be considered in RFP response.

Table 1. PSE Critical Factors
Compliance with Conservation Tariffs: <ul style="list-style-type: none">• Electric Tariff 83¹• Gas Tariff 183²
Results in Direct or Indirect Energy Efficiency Savings
Meets PSE program cost-effectiveness standards
Ability to evaluate, measure and verify savings
Maintains a reasonable Direct Benefit to Customer*/program administrative cost ratio

**Costs related to customer service and engagement activities (versus program implementation administrative costs).*

All bidder responses should also directly align with one or more of the following Key Priorities for 2022-23. The Key Priorities will be considered as part of the evaluation criteria used for any Proposal provided in response to this RFP, and are listed below in no particular order:

- **Serves Targeted Customer Segment(s)**
 - Programs may target customer segments using one or more of the following approaches:
 - New or innovative ways targeting customer segments who are underserved by PSE's existing or past energy efficiency program models and approaches. Proposals should provide data analysis (including raw data that was used in the analysis as an attachment) demonstrating that the segment is "underserved" ³.
 - Utilizes market segmentation to focus energy efficiency efforts on specific customer segments within a sector (i.e. commercial, residential, and industrial) more efficiently and effectively than achieved by traditional models.
 - Other methods which more effectively drive engagement of a subsector within a customer segment (i.e. facility operators, property managers, building owners, property associations, English as a Second Language customers, etc.) to drive deeper savings in residential and commercial sectors.
- **Improves Customer Experience and Satisfaction**
 - Proposals should consider how a program directly improves PSE customer (gas, electric or both) experience and satisfaction with the utility. If available, proposal should include proposed evaluation metrics and any required data that would be needed to monitor success.

¹ https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Electric/elec_sch_083.pdf

² https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Gas/gas_sch_183.pdf

³ Historical program information can be found on www.pse.com (See Section I, Subsection E for more details)

- **Provides Self-service Options**

- PSE is focused on providing more self-service options to its customers at a corporate level. PSE is seeking written responses that integrate with PSE's initiative to provide innovative online and digital options to customers which promote energy efficiency. Any proposal should align with the following requirements (in addition to the detail requirements outlined in Exhibit F):
- If the proposal includes a digital user interface, it should be integrated with established PSE digital architecture, providing a seamless and consistent digital experience across all channels (i.e. website, mobile applications, interactive voice response systems, etc.) The interface should include single sign-on capability through PSE's myPSE Account login.
- Any customer data (including all transaction and interaction data) collected or generated through the idea or created as part of the program shall be the property of Puget Sound Energy and must be accessible to PSE at all times in near real time as necessary via secure automated means. This includes data such as (but not limited to) customer contact information and the customer journey across all channels. If data collection is part of the product, program and/or support service, written response should include detailed requirements related to data inventories and movement. Vendor will be required to demonstrate adherence to PSE's Data Security Requirements and Best Practices Guidelines as outlined in Exhibits F and G.

- **Integration with other PSE Programs**

- Written response should highlight integration with other PSE programs, products and/or services such as (but not limited to): other energy efficiency programs, demand response, renewable customer-facing programs, myPSE, paperless billing, autopay, etc.

- **Piloting an Innovative Approach**

- PSE is interested in new and innovative approaches which drive deeper energy efficiency savings through energy efficiency pilots. Written response should demonstrate market readiness for an innovative idea, and attachments should provide additional detail on the need for the pilot, Unit Energy Savings (UES) sources and/or estimates, data which supports the need for the new approach, and any best practices or examples from other utilities implementing similar programs.

- **Delivering programs that account for updated building codes in the PSE service area.**

- **Delivering programs that account for the ongoing COVID-19 pandemic, remote delivery conditions, and customer perceptions.**

C. Solicitation Timeline

The following represents PSE's initial projected timeline.

Activity	Dates*
RFP release	May 11, 2021
Intent to Bid Form due to PSE	May 25, 2021
Bidder Questions due to PSE	June 1, 2021
PSE response to Bidder Questions	June 11, 2021
Requested Proposal due to PSE	June 23, 2021
Notification of short-list vendors identified for interview	July 16, 2021
Bidder interviews, reference checks, IT security & selection process begins	July - August 2021
Scope, pricing & contract marketing, sales and/or promotional plans	Aug.-Sept. 2021
Negotiation finalization	Aug.-Sept. 2021
Contract terms due to PSE Purchasing department	Sept 30, 2021
Contract execution/program launch	Jan. 1, 2022

**All submittals must be received by PSE no later than 5:00 p.m. Pacific Time, on the due date. This timetable is provided for planning purposes only and may be modified by PSE as required.*

D. Bidder Questions

PSE requires questions on the RFP to be submitted in writing, electronically to CEMRFP@pse.com.

All questions received from bidders must be categorized by program (e.g. Multifamily Retrofit, etc.). PSE will answer all Responders that have submitted Intent to Bid for that program, see Proposal Details (Section III.) for specifics.

No phone calls, please.

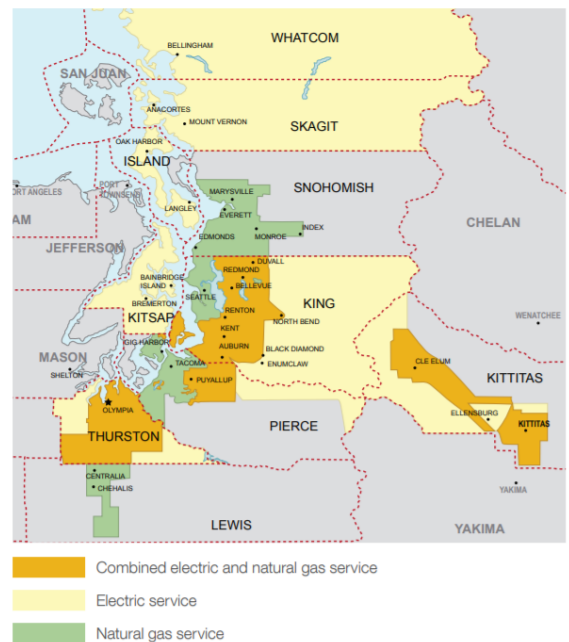
E. About Puget Sound Energy

Puget Sound Energy is proud to serve our neighbors and communities in 10 Washington counties. We're the state's largest utility, supporting 1.1 million electric customers and nearly 900,000 natural gas customers. With one of the nation's largest and oldest energy efficiency programs, we're dedicated to finding innovative solutions and building partnerships throughout the greater Puget Sound region.

PSE's strives to deliver a great customer experience and looks to our contractors to enhance that experience.

1. Service Area

- A. 6,000+ square miles, primarily in Puget Sound region of Western Washington
- B. Population of approx. 4 million within [service area](#)
- C. Counties within service area:
 - a. Island (electric)
 - b. King (combined)
 - c. Kitsap (electric)
 - d. Kittitas (combined)
 - e. Lewis (natural gas)
 - f. Pierce (combined)
 - g. Skagit (electric)
 - h. Snohomish (natural gas)
 - i. Thurston (combined)
 - j. Whatcom (electric)
 - k. Whidbey Island (electric)



2. PSE Customer Experience Intent Statement:

PSE places high value on our interface with and commitment to our customers. The following statement reflects the experience we want to provide to our customers:

In every interaction with PSE, I know I am dealing with honest and caring people, who understand me, anticipate my needs and make doing business easy. I can trust they will be fair and do the right thing.

If there's a problem, they respond quickly and work until it is resolved to my satisfaction. Their information, products and services provide value and benefit, are reliable and keep me safe.

They are committed to help me control my energy cost and to be a responsible steward of the energy I consume.

PSE expects vendors to align with this intent.

3. PSE Core Values

PSE is committed to its core values of safety, honesty, responsibility, and integrity and has specific expectations of entities with which PSE does business. As such, PSE expects all suppliers to comply with all applicable laws and regulations, such as those pertaining to the environment, safety and employment, discrimination, and labor laws.

For more information, please review PSE's Responsible Contractor Guidelines and Corporate Ethics and Compliance Code:

1. <http://pse.com/aboutpse/VendorsSuppliers/Pages/Supplier-Contractor-Guidelines.aspx>
2. <http://www.pugetenergy.com/pages/codeethics.html>

F. About RFP Sponsor and Key Stakeholders

PSE is committed to helping our customers reduce energy costs and manage their energy consumption. Our success to date can be attributed to our customers, employees and partnerships with program service providers. Together, we achieve a remarkable level of energy savings.

The sponsor of this RFP is Customer Energy Management, the department within PSE that is dedicated to providing energy efficiency products and services to PSE business and residential customers. Key stakeholders who will also participate in the review and evaluation of proposals include, but are not limited to individuals from PSE's Marketing, Outreach, Digital Experience, and Data Security teams.

For reference, historical conservation plans and reports can be found here:

Electric tariffs & rules: <https://www.pse.com/pages/rates/electric-tariffs-and-rules#sort=%40documentdate43883%20descending>

Natural gas tariffs & rules: <https://www.pse.com/pages/rates/gas-tariffs-and-rules#sort=%40documentdate43883%20descending>

II. POTENTIAL PROGRAMS

A. Multifamily Retrofit Program

The Multifamily Retrofit program provides financial incentives and educational services to apartment and condominium owners and managers that install energy efficient gas and electric measures in multifamily complexes within PSE's service area. The program promotes the increased efficiency of natural gas and electric equipment installed and operated in multifamily buildings with 5 or more attached units and multifamily campuses with a mixture of building types that may also include commercial or single family (4 or less attached units) buildings. Tenants also benefit from the program through resident engagement and direct install services.

The Multifamily Retrofit program is designed to be a one-stop-shop for multifamily property owners to receive comprehensive energy efficiency upgrades. The program utilizes a single point of contact approach with its own dedicated hotline to ensure the property is comprehensively served with free in-unit direct install measures, prescriptive weatherization rebates, and common area custom grants. Property owners first receive a free on-site or virtual assessment to determine eligibility and help prioritize energy efficiency upgrades. Depending on eligibility the property schedules a follow-up visit for available direct install measures. Property owners/managers are then paired with prescreened Trade Ally Network members to perform the work.

The key business expectations are to achieve 100 percent of target for 2022-2023 biennium energy savings while delivering an outstanding customer experience. The selected bidder is expected to provide a high level of professionalism and responsiveness as measured by customer feedback and other metrics to be determined.

The program seeks to align with broader corporate initiatives including providing self-service options and online tools to make doing business with PSE easy. Cross-promotion of other applicable products and services to encourage company integration will also be of importance. Additionally, particular emphasis to ensure that proportionately underserved customers receive equitable access to PSE programs and resources is critical.

1. Program Budgets and Targets

The Multifamily Retrofit program represents 14 percent of the residential portfolio and roughly 6 percent of the entire portfolio.

- 2022-2023 savings target:
 - 18 million kWh, and 90,000 therms
 - Comprised of in-unit, building shell, and common area measures.
- 2022-2023 participation target:
 - 40,000 units (total PSE Multifamily unit population = 240,000)
 - Based on measures that directly or indirectly benefit residents.

2. High Level Success Factors and Proposal Evaluation Criteria

- Achieve 100% of biennium savings targets
- Alignment with PSE's key priorities as outlined in Section B of the RFP introduction
- Customer satisfaction as measured by surveys
- Flexibility in offerings to align with changing market conditions
- Coordinating with PSE's marketing, outreach, and events team to leverage existing partnerships and avoid duplicating efforts
- Diversity, equity and inclusion (DEI) metrics, including:
 - # of affordable housing projects completed
 - Increased participation among areas with previous lower participation
 - Collaboration with local DEI partners
 - Other DEI metrics as observed in similar programs

3. Measure Mix and Customer Incentives

Program goals are estimates based on historic performance. Incentives include but not limited to:

- Envelope: Windows, insulation, air sealing
- Lighting: Common area and in-unit fixtures
- Appliances: Clothes washers, refrigerators,
- Ventilation: in-unit whole-home
- HVAC equipment upgrades
- Domestic Hot Water equipment upgrades

PSE's Multifamily Retrofit program face some challenges, including:

- Measure saturation
- Limited direct install opportunities due to updated lighting standards
- Prevailing impacts of COVID-19.
- Overlap with PSE's midstream program (heat pumps, heat pump water heaters, and condensing boilers)

Due to these reasons, PSE seeks innovative ways to push projects towards early retirement of equipment and deeper whole building energy savings.

See **attachment 1 – MF Retrofit - Measures, Incentives and Target Units** for details on applicable savings values and incentives. Savings are subject to change based on program updates and available data.

4. How Customers Can Participate

PSE develops a defined marketing plan and is responsible for executing this plan. The selected bidder will supplement their direct to customer outreach by working in tandem with PSE to help implement a PSE Multifamily Retrofit marketing plan that offers year-round promotional opportunities. The selected bidder will provide a direct point-of-contact to work closely with the multifamily marketing team to provide any information needed to execute this plan. No marketing materials shall be developed or distributed without PSE approval.

A variety of marketing techniques will be employed including, but not exclusive to, targeted direct mail, paid and earned media, solicitation at customer events and direct contact with property owners/managers. Pre-authorized and/or independent PSE contractors can also offer rebates to eligible customers. PSE has a database of all multifamily properties within the service area as well as past program participants. If a customer has yet to participate in the Program, typically a physical site assessment is conducted to verify eligibility. Virtual or video-based assessment tactics will also be considered if determined to be a viable option.

5. Key Partnerships

Pre-screened members of PSE's Trade Ally Network leverage PSE incentives and receive referrals to sell and close jobs. Expanded partnerships to include suppliers/distributors will also be prioritized in the next biennium to ensure there are no missed opportunities for garnering additional savings. Nurturing relationships with large multifamily property owners/managers responsible for portfolios of properties in PSE's service area is critical to meeting goals. PSE maintains active memberships in key multifamily housing associations to expand and solidify the program's presence in the market. Particular focus will be made on low to moderate income property management companies and housing authorities as well as condominium owners and Home Owners Associations (HOAs).

Internal stakeholders to the program include members of Marketing and Outreach, IT support, Evaluation, Business Services, Products & Services, Single Family & Commercial Energy Management program teams, among other teams. The goal is to remain aligned and integrated with corporate initiatives as well as leverage internal efficiencies when applicable. In some cases depending on the program, the selected bidder may be required to closely coordinate activities with another PSE service partner delivering complementary products and services.

6. Measurement and Verification

Selected bidder shall verify installation and inspect a minimum of 10 percent of units within each completed project. Specific to air sealing projects, contractor pre-construction meetings will be required, up to 25 percent of buildings will be blower door tested, and each project will undergo a mid-progress inspection. Bidders shall provide a description of how they will resolve project-level issues related to install measures/data submittals as well as how M&V will be used for continuous improvement. The Multifamily Retrofit program is subject to regular and ad hoc third-party evaluations and audits and it may be required to support data gathering and customer coordination activities as needed.

7. Vendor Performance Requirements

Outside of the Service Level Agreements outlined by PSE, Key Performance Indicators (KPIs) specific to the program will be developed in collaboration with the selected bidder and the Program planning teams to ensure operational efficiency and a high level of customer satisfaction.

8. Vendor Program Management Expectations

Selected bidder will collaborate with PSE program team to achieve program targets (budgets & savings), forecasting, strategic planning, and customer issue resolution. Procedure changes may take place during the contract duration warranting a contract amendment or scope change. Selected bidders will procure and manage inventory for direct install products as well as maintain/manage direct install field crews.

Selected bidder is expected to provide technical training and program specifications to contractors and property managers interested in installing equipment in multifamily buildings. Selected bidder will coordinate with PSE's Trade Ally program staff to plan contractor meetings, and cross program contractor messaging.

Administrative support

- Train contractor administration staff on reporting and processing.
- Cross vendor coordination: Coordination between selected vendors for installation of appliances or other directly installed equipment may be required.

Contractor Training

- Group and/or individual contractor training shall be conducted prior to program implementation to inform contractors of program procedures, specifications, documentation and marketing plans.

Embedded training

- Provide contractor training to any new contractors performing work under this program.

Follow-up training

- Work closely with contractors to problem solve and provide extra training on an as needed basis.
- Mandatory follow-up training may result from field inspection results identifying a lack of understanding of program requirements.
- All documentation shall be maintained by vendor.

Reporting

- PSE requires reporting and review of certain items to take place on a weekly, monthly and quarterly basis.
- In addition to the standard reporting requirements outlined in Exhibit F – Program Participation Data Requirements, the selected vendor shall provide the PSE program team with detailed program data, including building and unit address information, actual installed equipment per unit, and other data requirements as defined by PSE. Vendor shall develop/maintain a shared reporting system accessible by PSE that will incorporate all of the data points as defined by PSE. This system shall have the ability to download reports to Excel format as well as provide monthly tracking data in a compatible format into PSE’s DSMc system. Selected vendor shall integrate historical PSE program data into system.
 - **Weekly:** Each week the bidder must review a weekly work plan with PSE. The purpose of the meeting/teleconference is to communicate all work in progress, project changes, project pipeline updates, budget updates, issues, concerns, etc.
 - **Monthly:** Each month the bidder must report to PSE the actual spending and therm/kWh savings for the preceding month and the forecasted savings and spending by month for the remainder of each year.
 - **Quarterly:** PSE requires the bidder to produce a forecast for the balance of the year for both savings and spending at the end of each quarter.

Program Hotline

- Bidder shall maintain existing multifamily hotline and serve as the primary point of contact for all multifamily projects. If calls are first directed to the Energy Advisor Hotline, they are warm transferred to the hotline for a seamless customer experience. A detailed call log and customer relationship management platform is required in order to effectively manage prospective and current project inquiries
- Bidders are required to staff events such as tabling at conferences, hosting multiple “energy fairs” at large multifamily properties, attending networking events, etc. Bidder is expected to assist property managers/owners with value-add services including benchmarking, contractor solicitation, O&M consulting, financing resources, and marketing related activities such as implementing PSE’s “Strive for Five” recognition plaque campaign for program participants.

9. Other Considerations

Bidders are expected to provide a cost estimate of direct install measures as identified in the measure table (appliance replacements optional). Separate costs for labor and materials

including tax shall be provided for direct install measures. However, PSE may elect to procure direct install products in-house to leverage PSE's purchasing power. The vendor is responsible for remitting all associated state taxes.

Bidders are expected to provide the full cost of service broken out by task with the exception of Strategic Energy Management (SEM), and commercial engineering analyses in Exhibit D. Direct Benefit to Customer (DBtC) costs can be defined as customer incentive payments and direct install (L&M) measures. PSE requires vendors to maintain a DBtC to Administrative budget ratio of 80/20 percent. Proposed budgets proposed should include a pricing schedule with all labor, overhead, travel, and other direct costs associated with the proposal. The contractor should include all general and administrative costs in hourly labor rates and direct expenses. All subcontractor costs must also comply with these terms.

B. Multifamily and Commercial New Construction Programs

PSE's Multifamily and Commercial New Construction programs provide financial incentives to builders and designers to influence the installation of energy efficient measures into multifamily (MF) and commercial buildings in PSE's service area. The programs promote the increased efficiency of natural gas and electric equipment installed and operated in: multifamily buildings with four or more attached units; multifamily campuses with a mixture of building types that may also include commercial or single family (4 or less attached units) buildings; commercial and industrial buildings.

Any customer, owner or tenant of a new construction commercial, multifamily, or mixed-use facility which will receive PSE natural gas service and/or electric service under Schedules 7, 7A, 8, 24, 25 & 11, 26 & 12, 31, 35, (or their equivalent) of Electric Tariff G or Natural Gas Tariff through PSE's residential schedule 23 and commercial schedule 31 can benefit from the program.

PSE works with designers and developers of large or small new multifamily and mixed-use facilities, major remodels, and commercial facilities to propose cost-effective energy efficient upgrades that exceed the 2018 Washington State Energy Code (WSEC), Seattle Energy Code, or standard practice where minimum efficiency requirements are not prescribed by code. The incentive paths may include prescriptive, custom, design assistance, whole-building, and post-occupancy commissioning.

Multifamily structures include but are not limited to single-family dwellings, duplexes, apartments, townhomes, condominiums, dormitories, affordable housing, low-income housing, workforce housing, and assisted living residences. Commercial buildings include but are not limited to schools, offices, retail, warehouses, hospitals, and municipal buildings.

Incentives include a variety of end-use classifications, not limited to:

- Envelope: Windows, insulation, air sealing
- Lighting: Common area, in unit exterior
- Appliances: Clothes washers, refrigerators
- Ventilation: in-unit whole-home, common area
- HVAC equipment upgrades
- Domestic Hot Water equipment upgrades
- Whole building design and operation
- Commissioning

Program goals are to build off the momentum PSE has gained with new construction in the recent years. Moving forward, PSE's new construction programs face some headwinds, including:

- An increasingly stringent WSEC
- Measure attrition due to both legislation and overlap with PSE's midstream program
 - Stricter appliance, lighting, and water fixture standards from Washington House Bill 1444 from 2019.

- Heat pumps, heat pump water heaters, and condensing boilers are now incentivized under PSE's Midstream rebate program, which encompasses 90+% of the distributor market
- Fewer opportunities for gas savings due to general trend towards electrification in the region

Due to these barriers, PSE's New Construction programs seek innovative ways to push projects towards deeper savings. PSE is also interested in synergies that may exist between certification programs (LEED, ENERGY STAR, Passive House, Built Green, etc) and program offerings.

1. Program Budgets and Targets

Vendors should provide proposed budget to achieve the savings targets below. Vendor budgets should focus primarily on outreach, pipeline development, and early design assistance. If vendor analysis shows savings targets different than the below targets, please show how budget would scale with different targets. Proposed budgets should include a pricing schedule with all labor, overhead, travel, and other direct costs associated with the proposal. The contractor should include all general and administrative costs in hourly labor rates and direct expenses.

The estimated program savings targets for 2022-2023 (subject to change), are as follows:

- Multifamily New Construction targets
 - Electric: 8,000,000 kWh
 - Natural gas: 100,000 therms
- Commercial New Construction targets
 - Electric: 39,000,000 kWh
 - Natural gas: 270,000 therms

2. High Level Success Factors and Proposal Evaluation Criteria

- Achieve 100% of biennium savings targets
- Alignment with PSE's key priorities as outlined in Section B of the RFP introduction
- Customer satisfaction as measured by surveys
- Flexibility in offerings to align with changing market conditions
- Energy model analysis/use in Early Design Assistance meetings (EDAs) as a tool to illustrate savings to customer
- Snapshot of specific anticipated program targets:
 - # of projects enrolled
 - Savings per project
 - # of EDA meetings

- Effectiveness of EDA meetings
- # of projects from repeating developers; or # of long-term relationships with developers
- Coordinating with PSE's marketing, outreach, and events team to leverage existing partnerships and avoid duplicating efforts
- Collaborative, effective partnerships with key stakeholders, including builders, developers, contractors, architects, and engineers
- Diversity, equity and inclusion metrics, including:
 - # of affordable housing projects enrolled
 - Project participation in parts of our service area that have had lower participation in the past
 - Collaboration with local DEI partners that are involved in the new construction industry
 - Other DEI metrics as observed in other new construction programs

3. Measure Mix and Customer Incentives

Grant Estimation Approach	Grant applies to	Grant value
Whole-building analysis	Equipment and installation	Up to \$0.35/kWh and \$5.00/Therm saved for market-rate projects; Up to \$0.52/kwh and \$7.50/Therm for affordable housing* projects
Custom Measures (non-lighting; e.g. heat recovery, demand control ventilation, etc.)	Energy-efficient equipment that saves energy above WSEC	Up to \$0.35/kWh and \$5.00/Therm saved compared to code-baseline or standard practice system, subject to PSE cost-effectiveness standards
Lighting power density reduction	All lighting except residential in-unit	\$0.25/kWh, plus an additional \$0.10/kWh for installing controls in spaces not required by WSEC. LLLC bonus available. Lighting must be at least 10% more efficient than WSEC
EUI performance method	Whole building performance	\$0.35-\$0.65/kWh and \$5-\$7/therm saved, incentive rates increase as savings beyond baseline EUI increase, as measured by 12 months metered consumption
Post-occupancy building commissioning	Post-occupancy building commissioning fees only	\$0.35/sq. ft. for third-party, post-occupancy building commissioning per current energy code that are served by all of PSE services. For PSE electric only customers, the incentive is \$0.25/sq. ft. For PSE gas only customers, the incentive is \$0.15/sq. ft.

*Affordable housing is defined as an overall average occupant income of 60% Area Median Income or less, and aligns with Washington State Housing Finance Commission's Low Income Housing Tax Credit programs

The whole-building analysis will ideally incorporate both modeling and non-modeling proposals. Historically, energy modeling has been cost-prohibitive for multifamily new construction programs, so whole-building approaches that do not require energy modeling are appealing.

The EUI performance method is a new PSE program offering, but one with high growth potential.

Please note that savings for heat pumps and heat pump water heaters are now mostly occurring through the PSE midstream program, and therefore cannot be claimed downstream through PSE or for any of the New Construction approaches outlined above.

4. How Customers Can Participate

PSE offers a number of different pathways for new construction to participate in energy efficiency incentives. These pathways are outlined in the Measure Mix and Customer Incentives section above. The vendor will manage the project up until the payment, at which point PSE will review and subsequently submit payment to customer.

PSE will collaborate with the selected vendor on a variety of marketing and outreach tactics including, but not exclusive to, targeted direct mail, paid and earned media, solicitation at customer events and direct contact with property designers/builders.

To be eligible for PSE's new construction grants:

- Projects must be within PSE's electric and/or natural gas service area.
- Projects must be for commercial or multifamily use. Single-family new construction residences may be included if the project as a whole includes both multifamily and single-family structures. Single-family new construction includes buildings with 3 attached units or less.
- Projects must be in the design or construction phase and must be pre-approved by PSE prior to all energy efficiency improvement efforts.
- Grants are only available on projects that exceed local energy code efficiency requirements or standard practice by at least 10 percent.

To be eligible for a whole-building energy model incentive, in addition to the above requirements, the facility must be more than 50,000 square feet and involve multiple measures. Facilities less than 50,000 square feet may qualify with prior PSE approval. Customers are required to provide documents including a signed application, project submittals (drawings, cut sheets, etc.), and other information relative to the project and incentive payments.

5. Key Partnerships

PSE maintains active memberships in key building associations to expand and solidify the program's presence in the market. Nurturing relationships with new construction builders, developers, contractors, and cities/municipalities in PSE's service area is critical to meeting

goals. Particular focus should be made on continuing to target affordable multifamily new construction projects.

Internal PSE stakeholders to the program include, but are not limited to, members of Marketing and Outreach, IT support, Evaluation, Business Services, Products & Services, Customer Construction Services, Residential & Commercial Energy Management program teams, among others. The goal is to remain aligned and integrated with corporate initiatives as well as leverage internal efficiencies when applicable. In some cases, depending on the program, the selected bidder may be required to closely coordinate activities with another PSE service partner delivering complementary products and services.

6. Measurement and Verification

Bidder will verify installation and inspect a minimum of 10 percent of residential units within each completed project. Common areas and commercial buildings will be subject to a site visit or comparable real-time virtual visit from PSE and/or the selected bidder. Measurement and verification of savings for each project shall be in accordance with current IPMVP standard practices. Bidders shall provide a description of how they will resolve project-level issues related to installed measures/data submittals as well as how M&V will be used for continuous improvement. The New Construction programs are subject to regular and ad hoc third-party evaluations and audits and may be required to support data gathering and customer coordination activities as needed.

7. Vendor Performance Requirements

Outside of the Service Level Agreements outlined by PSE, KPIs and reports specific to the program will be developed in collaboration with the selected bidder and the Program planning teams.

8. Vendor Program Management Expectations

Selected bidder will collaborate with the PSE program team to achieve program targets (budgets & savings), forecasting, strategic planning, and customer issue resolution. Procedure changes may take place during the contract duration warranting a contract amendment or scope change.

Selected bidder may be required to assist in the items mentioned below and as such, proposals should provide separate pricing for each when applicable.

- Project management
- Measure-level reporting and analysis
- Conduct early concept energy modeling
- Provide design support of energy efficiency strategies
- Develop financial calculators to support project decision makers
- Lead energy design charrettes
- Customer recruitment strategies

- Measure identification and savings quantification
- Trade ally partnerships and management
- Tracking and reporting / systems integration
- QA/QC
- Customer service
- Marketing & outreach support
- Vendor M&V, as applicable such as custom calculated requirements around commercial projects

PSE requires reporting and review of certain items to take place on a weekly, monthly and quarterly basis. In addition to the standard reporting requirements outlined in Exhibit F – Program Participation Data Requirements, the selected vendor shall provide the PSE program team with detailed program data, including building and unit address information, actual installed equipment per unit, and other data requirements as defined by PSE. This system shall have the ability to download reports to Excel format as well as provide monthly measure-level tracking data in a compatible format into PSE's DSMc system.

- **Weekly:** Each week the bidder must briefly review a weekly work plan with PSE. The purpose of the meeting/teleconference is to communicate all work in progress, project changes, project pipeline updates, budget updates, issues, concerns, etc.
- **Monthly:** Each month the bidder must report to PSE the actual spending and therm/kWh savings for the preceding month and the forecasted savings and spending by month for the remainder of each year.
- **Quarterly:** PSE requires the bidder to produce a forecast for the balance of the year for both savings and spending at the end of each quarter. A quarterly business review meeting will also be held to identify continuous improvement and adaptive management opportunities.

9. Other Considerations

Bidders are expected to provide the full cost of service broken out by task with the exception of whole-building, post-occupancy commissioning, and commercial engineering analyses in Exhibit D. Direct Benefit to Customer (DBtC) costs can be defined as customer incentive payments. Historically, PSE requires vendors to maintain a DBtC to administrative budget ratio of 80/20 percent. Proposed budgets should include a pricing schedule with all labor, overhead, travel, and other direct costs associated with the proposal. The contractor should include all general and administrative costs in hourly labor rates and direct expenses. All subcontractor costs must also comply with these terms.

C. Telecommunications

Puget Sound Energy's (PSE's) Telecom program is a target market program focused on PSE's telecommunication customers. The program provides technical assistance, project support, and financial incentives to encourage telecommunication customers to implement cost effective energy efficiency projects within their facilities. Energy efficiency measures include a mix of capital, operations and maintenance (O&M), and tune-up measures specific to this target market.

At a minimum, the third-party implementer of the program will generate cost-effective savings from the following activities:

- General Program Management
 - Monthly tracking & reporting of key program metrics (energy savings, budgets, site specific customer data, project details)
 - Outreach & marketing activities
 - Support program evaluation and independent review activities by PSE and 3rd parties
- Customer Engagement & Recruitment
 - Managing & developing customer relationships to generate new projects
 - Program application intake & review
 - Determining customer eligibility
- Measure Identification
 - Energy efficiency measure identification and auditing at customer sites
 - Prioritized customer measure recommendations
 - Identification of low and no-cost O&M and tune-up measures
 - Identification of custom measures
 - Identification of standardized measures
 - Detailed energy calculations of measures
- Project Support
 - Trade ally support, management, and referrals
 - Customer technical support
 - Referrals to other appropriate PSE programs
- Incentive Processing
 - Verify proper measure installation and documentation
 - Intake of all post measure documentation
 - Implementation of measurement and verification activities
 - Customer incentive payments

The Telecom program will be implemented under PSE's E250/G250 program tariffs. Measures, incentive rates, and measurement and verification activities should be consistent with this tariff. Customers eligible to participate in PSE's E258 program tariff (Large Power User Self Directed program) will not be eligible to participate in this program.

1. Program Budgets and Targets

The savings goal for the Telecom program for 2022-2023 are estimated to be:

- Two-Year goal: Electric energy savings of at least 5 to 10 million kWh/yr
- Gas savings: Ability to implement gas savings on a customized basis as opportunities are identified
- Stretch Goal: Ability to generate additional savings beyond program goals if customer interest permits

PSE is interested in pay for performance, time & materials, or hybrid program administrator cost models. For hourly-based pricing, proposals must contain a breakdown of hourly rates, number of hours, and the totals for each task identified by the implementer. The incentive budget should be separated from other program tasks and costs.

2. High Level Success Factors and Proposal Evaluation Criteria

Third-party implementers will be evaluated on their ability to provide a proposal that aligns with the Program Description, above, while also meeting PSE's key priorities outlined in section B of the RFP Introduction. Additional criteria includes:

- Ability of the implementer to achieve program savings goals
- Cost effectiveness of proposal
- Direct Benefit to Customer vs Program Administration Costs
- Alignment of program approach with PSE's C/I Retrofit program (E250/G250)
- Percentage of program savings from non-lighting measures

3. How Customers Can Participate

As appropriate, the third-party implementer will recruit qualifying customers for this target market program. Success will require the third-party implementer to actively screen and recruit potential customers. These techniques may include, but are not limited to, targeted marketing materials, advertising, key account relationships or trade ally driven approaches.

4. Key Partnerships

The third-party implementer is expected to share other PSE products, programs, and service materials with customers participating in this program.

5. Measurement and Verification

Measurement and verification activities will be consistent with all PSE Program Tariffs and the International Performance Measurement and Verification Protocol (IPMVP).

6. Vendor Performance Requirements

Included in Section iii above.

III. PROPOSAL DETAILS

Every two years Puget Sound Energy Inc. (PSE), a privately-owned gas and electric utility located in Bellevue, Washington releases a major Request for Proposal (RFP) for Energy Efficiency Programs associated with PSE efforts to reduce energy usage for our residential and commercial customers.

This “umbrella” RFP covers multiple energy efficiency program categories (further detail found in the RFP). Firms may submit proposals for one or more of these categories.

To be considered it is mandatory that each proposal submitted include a Letter of Intent (see section A. Required Action Items) and be a stand-alone RFP response conforming to format identified within the attached proposal. Individual program sectors may require responses to items not included in this section, as noted within the specific program descriptions within the Potential Programs section (Section II). Different PSE subject matter experts/evaluators will be reviewing each of the program categories separately.

The purpose of this RFP is to consider bids for *each* of the RFP sections. The completeness/thoroughness of the response will help PSE determine which of the programs PSE elects to move forward.

These programs generally have a minimum of a two-year contract term with a start date of January 1, 2022 and an end date February 28, 2023 (with implementation activities ending on December 31, 2023). Contract negotiations should be completed on or before October 31, 2021.

A. Required Action Items

1. Intent to Bid Form

- Submit “Intent to Bid” by end of day May 25, 2021 via email at CEMRFP@pse.com
- The Intent to Bid form is included as Exhibit A.
- Clearly label the email subject line: Letter of Intent: Program Name / Company Name
 - Example: Letter of Intent: Multifamily Retrofit Program / MzT Energy Reducers
- The purpose of the Intent to Bid document is to:
 - Determine list of potential bidders,
 - Verify bidder contact information and,
 - Ensure that only bidders participating in a specific program RFP receive updates, amendments, question responses and any other documents provided after the initial RFP release.
- In order for a proposal to be considered, bidder must submit an Intent to Bid form identifying *each selected program category* within the required timeline.
 - If the same business unit will respond to multiple programs, please mark the attached list for those programs for which the bidder will submit a response, and submit only one Intent to Bid form
 - If different business units (with different designated contact) from firm will submit for different potential PSE program, each business unit must submit Intent to Bid form.

2. Bidder's Questions

- Submit Bidder's Questions by 5:00 PM Pacific Time on June 1, 2021 via email at CEMRFP@pse.com. Questions and responses to all questions will be provided in writing to all bidders who have submitted an Intent to Bid form on the related program by 5:00 PM PT June 11, 2021.
- The release of the RFP begins a quiet period for bidders participating in this solicitation.
 - Bidders shall not call PSE employees to discuss potential programs or ask questions.
 - PSE employees shall not directly answer bidder questions outside of this bidder question process.
 - This is the bidder's only opportunity to ask questions during the proposal development phase.
- Clearly label the email subject line: RFP Questions: Program Name / Company Name
 - Example: RFP Questions: Multifamily Retrofit Program / MzT Energy Reducers
- Bidder must submit a separate list of questions for each selected program category.
- Questions and PSE responses will be provided to all bidders who selected the associated program category on the Intent to Bid form.
- In order for questions to be answered, bidder must have notified PSE of the Intent to Bid *for each selected program category* within the required timeline.

3. Submit Proposal(s)

- Proposals are to be submitted electronically only to CEMRFP@pse.com. PSE will confirm receipt via email reply within 24 hours. If receipt is not confirmed, it is the bidder's responsibility to follow up with PSE to confirm receipt within 48 hours of proposal deadline.
- **Electronic proposals must be received by** no later than 5:00 PM PT, June 23, 2021.
- Clearly label the email subject line: Proposal: Program Name / Company Name
 - Example: Proposal: Multifamily Retrofit Program / MzT Energy Reducers

4. Additional notes regarding Letter of Intent, Bidder's Questions & Proposal(s):

- All costs to participate in this RFP process are the responsibility of the bidder.
- PSE reserves the right to decline to answer any bidder questions that are determined not applicable to the proposal development phase.
- Inability to meet any of the stated requirements shall result in the disqualification of a proposal for this solicitation.

B. Proposal Requirements

Unless an exception is specifically noted in the Program Overview under Program Details, proposal must include and/or address each of the below Sections, must be submitted in the order outlined below, and must adhere to page limitations. Page limitations designate maximum length, bidder response may be shorter. Proposals that do not follow this format are at risk of being disqualified. If a template is provided as an Exhibit, the same format must be used for the related section. Please place company name and the page number on each page.

1. Section I. Summary Information

- Proposal Cover Letter – See Exhibit B (1 page)
- Proposal Summary – See Exhibit C (1 page)
- Proposal Cost Summary – See Exhibit D (1 page)
- Executive Summary (1 page)
- IT Security Questionnaire – See Exhibit G (1 page)

2. Section II - Company Overview

- **Company Profile** – See Exhibit E (1 page)
- **History & Overview of Company Products and Services** (1 page)
- **Company Qualifications** (1 page)
 - General description of the organization, background and experience in programs similar to the proposal.
 - Biography of bidder's program manager and others being proposed for the program team (as applicable). One paragraph maximum per individual, resumes may be included as an attachment to the proposal.
 - If Company or key management team members have worked with any similar organizations which provided similar services to those listed in the proposal, provide a list of prior organizations, with a focus on local organizations. Specifically note any services provided to PSE or its predecessors.
 - Describe top distinctions between company and others providing a similar function to the market.
- **References** (1 page)
 - Provide three references from current clients for whom company has provided similar programs in the last 3 years. *(References will be contacted for short-listed bidders only.)*
 - References may also include customers for whom the respondent has provided services similar to those included in the proposal.
 - Reference should include:
 - Name of Reference Company
 - City/State

- Type of Business
- Describe relationship to bidder
- Contact name/title
- Contact phone & e-mail
- 1-2 sentence description of programs/services provided
- **Financial Qualification & Full Disclosure (1 page)**
 - Provide form of business classification (i.e., sole proprietorship, partnership, or corporation) and Dun's number, if assigned.
 - Quick ratio (current assets - current liabilities),
 - Corporate Website address (including annual report if available)
 - Identify pending litigation and the final resolution or present status of such matters.
 - Conflict of Interest - All bidders shall disclose in their proposal any and all relationships between themselves, the program and/or members of their program team and PSE, its employees, or its customers.

3. Section III – Proposed Program Details

Proposal(s) will include the following items:

- **Implementation Plan (3 pages)**

The Implementation Plan should consider the details provided in the Potential Programs section.

Section should include:

- Implementation Team
 - Identify all Subcontractors and their role(s), Licensing (if applicable)
 - Identify any professional relationship with PSE customers
 - If applicable, list and describe who is to install the measure (including any installation subcontractors)
 - If applicable, list and describe who is responsible for commissioning and verification of installation and/or quality assurance inspection, as it relates to the proposal requirements.
- Schedule (High Level Project Plan)
 - Key tasks, milestones and benchmarks for the proposed program from the point a contract is awarded through completion.
 - Indicate actions to be taken to ensure the schedule will be met.
- Top 3 Barriers to Implementation
 - a. What are the top 3 concerns or barriers to implementing the program and/or related services and how will these concerns be addressed?

- **Evaluation and Savings Verification Plan (2 pages)**

Evaluation and savings verification will be required. For all awarded contracts, final evaluation plans will be defined with, and approved by, the PSE Program Evaluation Group. Evaluation and savings verification requirements differ between programs with calculated savings and prescriptive savings. If a program includes both types of savings, all requirements shall be met.

- For programs with calculated savings, vendor may be required to provide measurement and verification activities as outlined in the program description. As it relates to this information, proposed evaluation plan must include:
 - a. Suggested methodology for estimating energy savings at the program and project level. Provide savings estimates and/or assumptions by showing all engineering calculations based upon PSE's service area. This can be either a separate excel file with formulas intact (no hard entered numbers) or a narrative that shows how bidder determines savings estimate and/or assumptions specific to PSE's service area. All saving sources must be reference sited.
 - b. Data collection and reporting plan to support evaluation, measurement and verification methodology
 - c. Data needs (e.g., energy use data—monthly daily, interval) for the measurement and verification plan
 - d. Description of how bidder will resolve project-level issues related to install measures
 - e. Description of how bidder will use measurement and verification for continuous improvement
- For programs with prescriptive savings, bidder may be required to provide measurement and verification activities as outlined in the program description. As it relates to this information, proposed evaluation plan must include:
 - a. Description of how bidder will resolve project-level issues related to install measures / data submittals
 - b. Description of how bidder will use measurement and verification for continuous improvement
 - c. Quality Assurance / Quality Control processes to support specific functions of a program and measures

- **Customer Acquisition Strategy (2 pages)**

This section should include specific customer acquisition strategies the bidder will implement to target and recruit customers for participation in the program. Section should include:

- Market potential and participant expectations from this type of service; site all sources in determining these. All market potential and participant expectations should be based upon PSE's service area.
- Eligibility recommendations and how customers will be contacted and selected/rejected for participation.

- Specific recruitment strategies that the bidder has successfully utilized and proposes to employ in this program design.
- Marketing assistance the respondent expects PSE to provide. This may include customer lists, customer billing records, letters of introduction, or support by PSE's customer service representatives.

PSE reserves the right to implement and/or coordinate all marketing activities. Specific and final Marketing Plans will be defined with PSE during contract negotiations. All marketing plans, materials, messaging and deliverables must be reviewed and vetted through the program's designated PSE Marketing Program Manager prior to implementation. The use of any third-party contractors or vendors must be reviewed and approved by the PSE marketing team. Bidder may include specific marketing activities, labor, and third-party vendor costs within budget and response but all costs are subject to review and approval during the negotiation period.

- **Customer Obligations and Interaction Plan (2 pages)**

This section will include:

- Details of all PSE customer obligations necessary for participation. Include any customer share of the cost of the installed measure, and other fees or costs for participation, estimates of customer's time involvement, use of customer premises, etc.
- Overview of customer interaction points and expectations of customer and PSE. Selected bidders must agree to the Customer Interaction Requirements found in the example Scope of Work requirements listed in Exhibit F. Explicitly state any exceptions that may be required for the proposal.
- Any and all written or implied warranties that will be provided to customers regarding quality of materials and installation.
- Process used to track and report customer information to PSE.

- **Environmental Stewardship (1 page)**

- This section should be specific to the activities performed through this program and/or services provided. Section should include:
 - a.Detail the disposal of waste to be removed from customer facilities as part of energy efficiency projects, including the disposal of toxic and contaminated waste.
 - b.Describe any recycling strategies to be incorporated into disposing of removed materials from the project as applicable to measure delivery.
 - c.Detail specific environmental aspects of the program, including any planned utilization of recycled materials in equipment supplied to the program.
 - d.Other actions the organization is taking to be a good environmental steward as it relates to this proposal.

- **Supplier Commitment to Diversity**

PSE values diversity, equity, and inclusion (DEI) in all areas of practice, including procurement and program implementation. Although each of these terms has a variety of definitions and their uses are evolving, please see the definitions below for the sake of this RFP.

- **Diversity** refers to differences in identity and perspectives among groups and people. It aims to increase representation of those who experience inequity or under-representation, including: Black, Indigenous, and people of color, the LGBTQIA+ community, women, immigrants, and refugees. Diversity is having intersectional representation in the room.
- **Equity** refers to justice and fair access to opportunity or resources. A key element of equity is recognizing the lasting impacts of historical injustice and current cultural and systemic inequities. In an equitable state, the distribution of benefits and burdens would not be predicated on identity or geography. Equity is being given fair access to all the resources in the room.
- **Inclusion** refers to an environment where all feel welcome and are valued as contributors. Inclusion is knowing you belong in the room.
- **Intersectionality** refers to the reality that different types of inequities often operate together and exacerbate each other, changing how one gains access to resources and opportunity. An intersectional approach recognizes that a person can experience a complexity of inequities based on their identity, including: race, gender, class, sexuality or immigration status.

PSE's Supplier Diversity process is designed to: achieve best value in contracting; provide fair and equitable opportunity to contract with PSE and strengthen our diverse communities by leveraging local businesses. PSE strongly encourages small businesses, minority business enterprises (MBEs), women business enterprises (WBEs), socially and economically disadvantaged businesses and veteran-owned businesses to submit proposals or to participate in this work as sub-consultants.

- What certifications or designations does your company have with diverse/minority/women/veteran certification agencies (i.e. WBENC, WOSB, MBE)?
- What percentage and dollar value do you commit to spending with small businesses, minority business enterprises (MBEs), women business enterprises (WBEs), socially and economically disadvantaged businesses and veteran-owned businesses to support PSE's overall commitment to empower our communities?
- Describe how your company prioritizes diversity, equity, and inclusion within your business and hiring practices. Please include any aspirational goals your company has defined.
- How does your company measure success of its diversity, equity, and inclusion business and hiring practices. For example: percentage of workforce identifying as Black, Indigenous, people of color, LGBTQIA+, women, and/or immigrant/refugee.
- Describe how your company prioritizes diversity, equity, and inclusion when working with subcontractors and providers, including but not limited to product design, outreach and contracting practices.

- What percentage of your leadership identifies as Black, Indigenous, people of color, LGBTQIA+, women, and/or immigrant/refugee? Include senior leadership as well as governing bodies and/or boards.
- What percentage of your workforce is fluent in a language other than English. Include a list of languages spoken.
- If you will be interacting with PSE customers with limited English proficiency, describe how you will accommodate the needs of these customers.
- If you will be interacting with PSE customers with limited English proficiency, describe your experience or approach to create and provide documents, such as forms or presentations in non-English languages.

- **IT Security Requirements and Program Participation Data Reporting (2 pages)**

The timeliness, accuracy and reliability of data generated by PSE's energy efficiency programs are critical to each programs success. PSE claims energy savings that help PSE to reach its energy savings targets that are set each year with the Washington Utility and Transportation Commission (WUTC). PSE has developed a set of guidelines below to help ensure that this data meets these needs.

Section should include:

- IT Security Questionnaire completion – See Exhibit G (1 page)
- Data bidder will require of PSE in order for proposed program to be successful
- Details regarding how data will be accessed and managed
- Selected bidders must agree to the Program Participation Data Reporting Requirements found in the example Scope of Work requirements listed in Exhibit F. Explicitly state any exceptions that may be required for the proposal
- Additional data security questions may be required for short-listed bidders

4. **Section IV - Doing Business with Puget Sound Energy (Exhibit F)**

Please review and take action if required on the documents in Exhibit D; these will be the governing documents in any contracts issued as a result of this RFP.

- **Agreement for Professional Services (Action Required)**

- *All Bidders* must submit a statement of acceptance of the Agreement or must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.
- The final contracting process will include this contract or modification thereof and Scope of Work, IT Security Addendum and Budget attachments.
- Include a response (a, b or c) and provide detail if needed:
 - a. My company has an existing Master Services Agreement (MSA) and IT Security addendum with PSE. (provide PSE MSA number 460000xxxx)

- b. My company has reviewed and accepts this document.
 - c. My company has reviewed and marked areas for discussion with suggested alternative language. (All bidders shall disclose any or all exceptions to PSE's professional services agreement).
- **Statement of Work (SOW) and Budget Document (Information Only)**
 - *Successful Bidders* are required to work cooperatively with the appropriate program team in advance of contracting to finalize a thorough and detailed Scope of Work and itemized line item budget. Both documents will be based upon RFP response and subsequent discussions. Additionally, bidder may be required to prepare additional supplemental program documents e.g. program plan. These items will be submitted to PSE Contract Services with the internal request for contract preparation/finalization and be included as attachments to the Agreement for final signature.
- **Insurance Requirements (Information Only)**
 - PSE requires insurance of all vendors doing business with our company. *Successful Bidders* shall disclose any or all exceptions to PSE's insurance requirements.
 - Include a response (a or b) and provide detail if needed:
 - a. I accept PSE's insurance requirements.
 - b. I have reviewed PSE's Certificate of Insurance (COI) requirement and offer the following comment(s).
- **Mutual Confidentiality Agreement (MCA) (Information Only)**
 - *Successful Bidders* must sign the Confidentiality Agreement and provide two signed originals to PSE. PSE will countersign the MCA and return one fully executed agreement to the respondent.
- **Co-Branding Guidelines (Information Only)**
 - *Successful Bidders* will outline how they plan to co-brand with PSE. PSE will review and approve all co-branding activities identified by vendors. PSE may require additional co-branding activities beyond what the vendor has identified in the RFP. Each program is unique and co-branding activities will be based specifically on how each vendor interacts with PSE customers. Please see Section F of Exhibit F for more detail on PSE's Co-Branding Requirements.

C. Bid Evaluation

PSE will evaluate each proposal based upon the understanding of how the proposal meets the objective and satisfies the service requirements. Criteria include:

- I. How well does proposal diversify, support, complement and/or improve PSE portfolio
- II. Value to customer
 - a. Energy savings
 - b. Cost
 - c. Public and/or Non-energy benefits
 - d. Commitment to Quality Assurance
- III. Cost
- IV. Reliability, quality and/or persistence of energy savings
- V. Supplier
 1. Industry experience and reputation
 2. Service qualifications
 3. Financial strength
 4. Local presence and/or capabilities
- VI. Innovation of program/service

PSE has the right to accept or reject any proposal for any reason.

PSE may continue the evaluation analysis and additional due diligence throughout the evaluation and negotiation period based on multiple factors including but not limited to: clarification of bid submittal, current market or financial information, direction from regulatory proceedings, or other guidance.

At the completion of the evaluation, including any updated analyses, PSE will move forward with selected finalists for further discussions and, potentially, negotiations of terms and conditions of a contract. Contracts are subject to regulatory consent.

D. Post Proposal: Negotiations, Conditions and Awarding of Contract(s)

- It is PSE's intent to negotiate both price and non-price factors during any post-proposal negotiations with a respondent whose proposal is selected to a short list.
- It is also PSE's intent to include in ongoing analysis of a proposal any additional factors that may impact the total cost of a program until such time as PSE and respondent might execute a contract.
- A contract, if any, would be based on the outcome of these continuing negotiations. PSE has no obligation to enter into a contract with any respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent.
- This RFP shall not be construed as preventing PSE from entering into any agreement that it deems appropriate at any time before, during, or after this RFP process is

complete. PSE reserves the right to negotiate only with those bidders and other parties who propose transactions that PSE believes, in its sole opinion, to have a reasonable likelihood of being executed substantially as proposed.

- PSE, with the mutual consent of the respondent, may elect to implement a proposal earlier than 1/1/2022.
- PSE reserves the right to issue subsequent RFPs for energy efficiency resources, including RFPs for specific, targeted energy efficiency programs.
- PSE may make summary information regarding proposals available to the Conservation Resources Advisory Group (CRAG), as necessary to enable this group to carry out its planning and review responsibilities. CRAG members will be required to agree to keep proposal information confidential in order to have access to individual proposal information.
- PSE may retain all information pertinent to this RFP process for a period of 7 years or until PSE concludes its next general electric and/or gas rate case, whichever is later.

E. Supplemental Information

1. Washington Utility and Transportation Commission (WUTC)

- Funding for proposals under this RFP shall be provided by the Company's electric and gas ratepayers, through the *Electric Conservation Service Rider* (Electric Schedule 120) and *Gas Conservation Service Rider* (Gas Schedule 120) approved by the WUTC. Limited additional funding for residential electric efficiency programs is provided as part of the Conservation and Renewable Discount pursuant to power purchase arrangements with the Bonneville Power Administration.

2. Current CEM Conservation Programs

- Puget Sound Energy, Inc. (PSE) currently provides a variety of energy efficiency services to their retail electric and natural gas customers. These programs provide energy efficiency resources as part of PSE's resource portfolio, and are consistent and complimentary to PSE's Integrated Resource Plans which projects PSE 20 year gas and electric needs and includes conservation as a key resource element.
- PSE is committed to ensuring that all customers have access to programs by offering a mix of programs that make energy efficiency services available to all customer classes and that address most major end uses.

3. Program Funding

- Funding for proposals under this RFP shall be provided by PSE's gas & electric ratepayers, through the Electric & Natural Gas Conservation Service Rider approved by the WUTC.

4. Conservation Resource Advisory Group (CRAG)

- Key to the development of PSE's overall energy efficiency targets is the participation of PSE's in the Conservation Resource Advisory Group ("CRAG"). The CRAG's specific purpose is to work with PSE in the development of conservation plans, targets and budgets and includes ratepayer representatives as well as representatives of select energy efficiency policy organizations.
- PSE may consult with the CRAG as part of its process for analyzing proposals submitted in response to this RFP, although the Company retains the full responsibility for decision-making and selection of any successful proposals.

IV. Exhibits

<u>Exhibit A</u>	Intent to Bid Form
<u>Exhibit B</u>	Proposal Cover Letter
<u>Exhibit C</u>	Proposal Summary Document
<u>Exhibit D</u>	Proposal Cost Summary Document
<u>Exhibit E</u>	Company Profile
<u>Exhibit F</u>	IT Security Questionnaire
<u>Exhibit G</u>	<div>Doing Business with Puget Sound Energy documents</div> <ul style="list-style-type: none">• Master Agreement for Professional Services (sample)• OSHA Recordable Injury Report• Statement of Work and Budget Document• Insurance Requirements• Mutual Confidentiality Agreement (MCA)• Co-Branding Guidelines• Program Participation Data Reporting Requirements• Customer Interaction Requirements

A. Intent to Bid Form



INTENT TO BID FORM

Request for Proposal PSE Energy Efficiency Existing Programs 2022-23

Select from the related list the program(s) for which your business will submit RFP response(s).

1. If the same business unit will respond to multiple programs, please mark the attached list for those programs for which you will submit a response, and submit only one Intent to Bid form
2. If different business units (with different designated contact) from your firm will submit for different potential PSE program, each business unit must submit Intent to Bid form.

INTENT TO BID:

In response to your Request for Proposal for the identified program(s), the undersigned will to furnish an RFP response accordance with the contract documents and any addenda thereto. Labor, materials, tools, supplies, equipment, transportation, supervision, services, goods, and other items as may be required.

_____ **Yes:** My Company intends to submit a response to this Request for Proposal

_____ **Yes/No:** My Company is a registered small business, minority business enterprise (MBE), women business enterprise (WBE), socially and/or economically disadvantaged business and veteran-owned business. If yes, identify category (proof of current registration will be required):

COMPANY INFORMATION:

Company Name: _____

Company Address: _____

Designated Contact for this RFP

Name and Title: _____

Email: _____

Phone: _____

AUTHORIZATION:

Intent to Bid must be signed by an individual who is legally authorized to commit company as requested above:

Signature

Printed Name and Title

Please submit completed form by May 25, 2021 via email to: CEMRFP@pse.com. PSE will confirm receipt within 24 hours.

Indicate programs for which your business will submit RFP responses:

- ☐ Multifamily Retrofit
- ☐ Multifamily and Commercial New Construction
- ☐ Telecommunications*

* indicates new or substantially modified program

B. Proposal Cover Letter

Cover Letter must include the following items:

1. Name
2. Address of the bidder
3. RFP contact name, phone and email
4. Signature of a duly authorized officer or agent of the respondent submitting the proposal
5. Bidder's authorized officer or agent shall certify in writing that:
 1. Proposal is genuine; not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; and is not submitted in conformity with any anti-competitive agreement or rules.
 2. Respondent has not directly or indirectly induced or solicited any other respondent to submit a false or sham proposal.
 3. The respondent has not solicited or induced any other person, firm, or corporation to refrain from proposing, or has not sought by collusion to obtain for himself/herself any advantage over any other respondent.
 4. No reassignment of proposals will occur during the evaluation or negotiation stage unless authorized by PSE and that in the event respondent and PSE negotiate and execute a contract based on respondent's proposal, the contract and obligations therein shall not be sold, transferred or assigned or pledged as security or collateral for any obligation without the prior written permission of PSE which permission shall not be unreasonably withheld. Any project lender who takes an assignment of the contract for security and exercises any rights under such agreements will be bound to perform such agreements to the same extent.
 5. Conflict of Interest: All bidders shall disclose in their proposal any and all relationships between themselves, the project and/or members of their project team and PSE, its employees, its customers, or members of PSE's Conservation Resource Advisory Group (CRAG).
 6. Validity, Deadlines and Regulatory Consent: All proposals shall specify the date through which the proposal is valid. Bidders should note that contracts might not be executed or obtained until near the end of 2021. PSE will seek regulatory consent to revisions of its energy efficiency tariffs consistent with the results of this RFP process, such consent to be in form and substance satisfactory to PSE in its sole discretion. It is preferred that bidder provides proposals that remain valid for a period that allows for negotiation of a contract.
 7. All bidders must submit a statement accepting the Master Agreement for Services (Exhibit F) or must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.

C. Proposal Summary Document

Program Name:	
Bidder Organization:	
Primary Contact Name:	
Contact Phone:	
Contact Email Address:	

General Bidder Questions

- What is the location of your office nearest to PSE service area?
 - If no office in PSE's service area, are you willing to establish locally based representative?
- Number of years in business providing proposed service/product?
- Is your product currently available to the market?
 - If yes, how long has the product been available?
- Have you provided this service or product to other utilities?
 - If yes, what other utilities?
- Do you have experience with measurement and verification of utility energy savings?

Program Information

Target Customer Segment(s)		
	Residential	Retrofit
	Commercial	New Construction
Program End Use(s) – Select one or more		
	Heating	
	Air Conditioning	
	Water Heating	
	Appliances	
	Lighting	
	Year Round Process (describe)	
	Seasonal Process (describe)	
	Other (describe)	
Measure & Program Details		
Type of Energy Efficiency measures to be installed (check all that apply)		Deemed/Prescriptive
		Calculated
Total Participating Customers		

Total annualized Energy Savings for all installed Measures

kWh

Therms

Total proposal dollars per Energy Savings

\$/kWh Saved

\$/Therm Saved

D. Proposal Cost Summary Document

Respondent Direct Costs	Rate (\$/Unit)	Unit (Hours, etc.)	Proposal Total
PSE Costs			
Proposed Measure Installation Costs			
Measure/Equipment Costs			
Labor			
Other Material			
Travel, Vehicles			
Program Management Labor			
Support Staff Labor			
Legal			
Travel			
Other (please specify)			
Program Implementation Costs			
Incentives \$ (grants, rebates)			
Marketing/Advertising			
Customer Service & Complaint Resolution			
Tracking & Reporting			
Measurement and Verification (Evaluation)			
Other (please specify)			
TOTAL RESPONDENT COSTS			

Notes:

E. Company Profile

Company Name:	
Headquarters (City / State):	
Branches (City / State):	
Does your firm have a local presence to the Puget Sound area (Western Washington) or in the Northwest? If no, provide closest location.	
Number of continuous years in business?	
Total Number of Employees (note Full Time, Part Time or Other)	
Is your firm Certified as a diverse organization (i.e. Women, Minority, or Veteran owned)? If yes, identify category.	
Dun and Bradstreet Number	
Yearly Revenue/Sales Figures (2018, 2019, 2020 estimated, and 2021 projected)	
Do you have experience working with regulated entities (e.g. phone companies, gas or electric utilities, etc.) and their customers?	
Has your company declared bankruptcy in the past 36 months? If yes, explain.	

F. IT Security Questionnaire

Security Questionnaire Responses:

1. How do you ensure the confidentiality of PSE data and/or customer data??	
2. Do you ensure that PSE data and/or customer data remains stored in the US?	
3. Do you perform criminal history background checks on all employees with access to PSE data and/or customer data?	
4. Do you commit to providing notice to PSE within 24 hours of confirmation in the case of any unauthorized disclosure of confidential information?	
5. Do you provide any method or process for obtaining and recording customer consent for collecting, processing, or sharing any identifying and/or confidential information relating to each specific PSE customer?	
6. Do you provide any method or process for customers to revoke their consent for collecting, processing, or sharing any identifying and/or confidential information relating to each specific PSE customer?	

G. Doing Business with PSE Reference Documents

- [Master Services Agreement Template](#)
- [Occupational Safety and Health Administration \(OSHA\) Recordable Injury Report](#)
- [IT Security Addendum](#)
- [Statement of Work and Budget Discussion](#)
- [Insurance Requirements](#)
- [Mutual Non-Disclosure Agreement \(MNDA\)](#)
- [Co-Branding Guidelines](#)
- [Program Participation Data Reporting Requirements](#)
- [Customer Interaction Requirements](#)

Agreement for Professional Services

All Bidders must submit a statement accepting the Agreement or must identify area(s) for discussion with suggested language modifications. Include the specific Section and Item number for clarity.

1. Master Services Agreement Template

Master Services Agreement Template

This Master Services Agreement (“Agreement”), dated as of _____, is entered into by and between **Puget Sound Energy, Inc.** (“PSE”) and _____ (“Consultant”). PSE and Consultant are collectively referred to as the “Parties”. This Agreement is valid through _____.

The Parties agree as follows:

SECTION 1. THE SERVICES

1.1 Consultant shall perform the services described in any Statement of Work mutually agreed to by the Parties that references this Agreement (each a “Scope of Work” or “SOW”). All such services and other items furnished or required to be furnished, together with all other obligations performed or required to be performed, by Consultant under this Agreement are collectively referred to in this Agreement as the “Services”.

1.2 Except as otherwise specifically provided by PSE, Consultant shall be responsible for providing for itself, at its own expense, all goods and services necessary for Consultant to complete the Services, including but not limited to all labor, equipment, software, data, and other materials.

1.3 The Parties acknowledge that it is not always possible to list every task that must be performed as part of the Services. Unless specifically excluded, tasks that are reasonably necessary to complete the Services, but which might not be specifically listed in the SOW, shall be performed by Consultant as part of the Services without any increase in the compensation otherwise payable under this Agreement.

1.4 All SOWs related to this Agreement are incorporated herein by reference and made a part hereof. In the event of any conflict between the terms of this Agreement and any SOW, this Agreement shall control. Notwithstanding the foregoing sentence, if a SOW by its terms expressly provides that certain provisions therein shall control over certain specified provisions in this Agreement, then to the extent such provisions in a SOW conflict with the specified provisions in this Agreement, the SOW shall control.

SECTION 2. SCHEDULE

2.1 If a schedule for performance of any Services is specified, Consultant shall commence, perform and complete such Services in accordance with such schedule.

2.2 If a schedule for performance of any Services is not specified, Consultant shall commence such Services upon notice to proceed from PSE and shall thereafter diligently perform such Services to completion.

SECTION 3. COMPENSATION

3.1 Subject to the terms and conditions of this Agreement, PSE shall pay Consultant the compensation described in the applicable SOW as full compensation for the satisfactory performance of the Services.

3.2 Unless otherwise provided for in the applicable SOW, Consultant shall submit to PSE, within thirty (30) days after the end of each calendar month, Consultant's invoice for the compensation payable under this Agreement for the Services performed during such month. Each of Consultant's invoices shall set forth a detailed description of the Services performed during the applicable month, the number of hours spent performing such Services, the dates on which such Services were performed, and a detailed itemization of any reimbursable costs and expenses incurred in connection with such Services. Consultant shall provide such receipts, documents, compensation segregations, time sheets, information and other items as PSE may reasonably request to verify the invoice.

3.3 Consultant shall place the number of this Agreement on all of its invoices. Consultant shall submit such invoices by mailing to PSE at its address for notices under this Agreement or such other address as PSE may specify in writing. PSE may change such address for invoices by giving Consultant written notice of the change.

3.4 Any sales, service, use, consumption or other similar taxes imposed upon the Services shall be separately disclosed and added to the amount of each invoice unless PSE provides Consultant with appropriate evidence of a tax exemption claimed for the relevant jurisdiction(s). In no event shall PSE be obligated to pay or reimburse Consultant for any taxes based on Consultant's net income, gross receipts or property, or for withholding and payroll taxes with respect to any wages or other compensation payable to Support (as defined below in Section 4.1).

3.5 PSE shall pay each of Consultant's invoices within sixty (60) days after PSE's receipt and verification thereof; provided, however, that if PSE disputes in good faith any portion of a valid invoice it may withhold payment in respect of such disputed amount, provided it pays the undisputed portion of the valid invoice within 60 days. PSE shall be entitled to set-off any amount due and payable to it from and against amounts held to the credit of Consultant on any account, whether under this Agreement or otherwise. This is without prejudice to any other rights or remedies available to PSE under this Agreement or otherwise.

3.6 No payment by PSE shall constitute acceptance of, or a waiver of PSE's rights with respect to, any Services not in accordance with the terms of this Agreement or a SOW.

SECTION 4. PERFORMANCE BY CONSULTANT

4.1 Consultant shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any third-party not specifically identified in the applicable SOW without the prior written consent of PSE, which may be withheld in PSE's sole discretion. Any such delegation or subcontracting without PSE's prior written consent shall constitute a material default of this Agreement. At PSE's request, Consultant shall provide to PSE documentation related to a proposed subcontractor's qualifications to perform the Services. No delegation or subcontracting of performance of any of the Services, with or without PSE's prior written consent, shall relieve Consultant of its responsibility to perform the Services in accordance with this Agreement. Consultant shall be fully responsible for the performance, acts and omissions of Consultant's employees and subcontractors and any other person who performs Services on Consultant's behalf (collectively, the "Support").

4.2 Consultant shall at all times be an independent contractor and not an agent or representative of PSE with regard to performance of the Services. Consultant shall not represent that it is, nor hold itself out as, an agent or representative of PSE. In no event shall Consultant be authorized to enter into any agreement or undertaking for or on behalf of PSE.

4.3 Consultant shall perform the Services in a timely manner and in accordance with the applicable SOW and the standards of Consultant's profession. At the time of performance, Consultant shall be properly licensed, equipped, organized and financed to perform the Services in accordance with this Agreement. Subject to compliance with the requirements of this Agreement, Consultant shall perform the Services in accordance with its own methods.

4.4 Consultant shall fully cooperate with PSE and coordinate the Services with related work performed by PSE and others. If any Services depend upon the results of work performed by PSE or others, Consultant shall, prior to commencing such Services, notify PSE of any actual or apparent deficiencies or defects in such other work that render such other work unsuitable for performance of the Services.

4.5 Consultant shall not hire any employee of PSE to perform any of the Services. Consultant shall employ persons to perform the Services who are fully experienced and properly qualified. Consultant shall, if so requested by PSE, remove from performance of the Services any person PSE determines to be incompetent, careless or otherwise objectionable. Without limitation of the foregoing, Consultant shall assign to perform the Services the personnel specifically listed in the SOW and shall not (for so long as they remain in Consultant's employ) reassign or remove any of them without the prior written consent of

PSE. If any such personnel leave Consultant's employ or are reassigned or removed by Consultant, Consultant shall replace them with personnel approved by PSE.

4.6 Consultant shall promptly pay, and secure the discharge of any liens asserted by, all Support. Consultant shall furnish to PSE such releases of claims and other documents as may be requested by PSE to evidence such payment and discharge.

4.7 Consultant shall take all reasonable precautions to protect against any bodily injury (including death) or property damage that may occur in connection with the Services. Without limiting the generality of the foregoing, Consultant shall provide all required safety equipment, safe tools and a safe work place for all Support.

4.8 Acceptance of each of the Services ("Acceptance") shall be determined in accordance with the procedure set forth in this Agreement and the applicable SOW. If no acceptance procedure is set forth therein, then Acceptance shall be deemed to have occurred ten (10) business days after Completion of the applicable Services if PSE has not otherwise notified Consultant that the Services are not approved. PSE shall not unreasonably withhold its Acceptance. If any Services are not Accepted, Consultant shall promptly re-perform the applicable Services and allow PSE another ten (10) business days to review. In order for "Completion" of the applicable Services to have occurred, Consultant must provide to PSE an acceptance form that conforms with the template PSE provides, and which will clearly identify the Services by name, the date of Completion (which shall be no earlier than the date the form is delivered to PSE), and include a space for comments and PSE's Acceptance signature. As full compensation for satisfactory performance of the applicable Services, where "satisfactory" means the Services have received Acceptance, PSE shall pay Consultant the applicable compensation described in the applicable SOW, including adjustment, if any, in accordance with this Agreement. The making of (or failure or delay in making) such Approval shall not relieve Consultant of responsibility for performance of the Services in accordance with this Agreement.

SECTION 5. COMPLIANCE WITH LAWS

Consultant and Support shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon PSE and applicable to the Services). Consultant shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, orders required to be incorporated in agreements of this character are incorporated in this Agreement by this reference.

The parties hereby incorporate 41 C.F.R. 60-1.4(a) (7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R.60-300.5(a) 11; and 41 C.F.R. 60-741.5(a) 6, if applicable.

This contractor and subcontractor shall abide by the requirements of 41 C.F.R. 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected.

This contractor and subcontractor shall abide by the requirements of 41 C.F.R. 741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

Except as may be restricted by federal, state or local laws or regulations, PSE will grant Consultant access to PSE's premises or IT systems as necessary to perform the Services. Consultant acknowledges that certain portions of PSE's premises may have restricted access and require prior authorization or a PSE designated escort to allow Consultant access. If notified by PSE that access is restricted, Consultant shall comply with federal, state or local laws or regulations requiring background checks and drug and alcohol testing of employees prior to performing work at the project site. No work can begin until these requirements have been met.

PSE has entered into this agreement with Consultant based upon PSE's reasonable belief that Consultant, like PSE, adheres to the strictest of ethical standards. In connection therewith, Consultant has reviewed PSE's Corporate Ethics and Compliance Code at <http://www.pse.com/aboutpse/CorporateInfo/Pages/Our-Ethics.aspx>.

Consultant warrants that it and its Support will not, directly or indirectly, offer, promise, authorize or give anything of value to a government official, a political party, a candidate for political office or any other person connected to a government in any way, or authorize the giving of anything of value to a government official, a candidate for political office, or any other person connected to a government in any way, for the purposes of: (a) influencing an act or decision of that government official (including a decision not to act) in connection with PSE's business or in connection with Consultant's business with PSE; or (b) inducing such a person to use his or her influence to affect any government act or decision in connection with PSE's business or in connection with Consultant's business with PSE. Consultant further warrants that neither it nor any of its Support have offered or given, or will offer or give, any gifts or gratuities to PSE employees, agents or representatives for the purpose of securing this agreement or securing favorable treatment under this agreement. In addition, Consultant will notify PSE immediately if any of its employees, officers or principals are officials or representatives of any government or are candidates for such government positions. Any breach of this provision by Consultant shall constitute a material breach of the Contract and shall immediately entitle PSE to terminate the Contract for cause.

SECTION 6. INSPECTION; EXAMINATION OF RECORDS

6.1 The Services shall at all times be subject to inspection by and with the approval of PSE, but the making of (or failure or delay in making) such inspection or approval shall not relieve Consultant of responsibility for performance of the Services in accordance with this Agreement, notwithstanding PSE's knowledge of defective or noncomplying performance, its substantiality, or the ease of its discovery. Consultant shall provide PSE sufficient, safe and proper facilities and equipment for such inspection and free access to such facilities.

6.2 Consultant shall promptly furnish PSE with such information related to the Services as may be requested by PSE. Until the expiration of three (3) years after final payment of the compensation payable under this Agreement, Consultant shall provide PSE access to (and PSE shall have the right to examine, audit and copy) all of Consultant's books, documents, papers and records that are related to the Services or this Agreement

SECTION 7. PROPERTY AND CONFIDENTIAL INFORMATION

7.1 PSE shall own all software, writings, information, and other property, whether tangible or intangible, created, made, developed, first reduced to practice or acquired by Consultant or any Support in connection with the Services (including, but not limited to, inventions, processes, methods, concepts,

documents, drawings, specifications, calculations, maps, sketches, notes, reports, data, estimates, models, samples, completed Services and Services in progress) whether or not delivered to PSE. Consultant assigns to PSE, and shall require all Support to assign to PSE, any and all patent, copyright, trade secret and other intellectual property rights that Consultant or any Support may have in and to such items. Consultant has rights in such items pursuant to paragraph 7.3. Consultant shall take such action (including, but not limited to, the execution, acknowledgment and delivery of documents) as may be requested by PSE to effect, perfect or evidence PSE's ownership of such property. Consultant shall deliver such property (together with any property furnished by PSE or the cost of which is included in the compensation payable under this Agreement) to PSE upon request and in any event upon the completion, termination or cancellation of this Agreement.

7.2 If Consultant or any Support uses, provides, or incorporates into any deliverables any pre-existing items or other tangible or intangible materials of any nature that are not covered by paragraph 7.1, then PSE is hereby granted a worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up, sub-licensable right: (a) to make, use, copy, modify, and create derivative works of such items, and (b) to publicly perform or display, import, broadcast, transmit, distribute, license, or lend copies of such items (and derivative works thereof).

7.3 Except to the extent they contain PSE Confidential Information or PSE Information (as defined in Section 7.4 and 7.5 below), Consultant reserves a permanent, non-assignable, nonexclusive royalty-free license to use in its performance of services for others any items assigned to PSE in paragraph 7.1.

7.4 As used in this Agreement, "Confidential Information" means all information previously or subsequently received by Consultant in connection with this Agreement that is identified as being proprietary and/or confidential, or that, by the nature of the circumstances surrounding the disclosure, reasonably ought to be treated as proprietary and confidential. Confidential Information does not include information Consultant can prove (i) was or becomes generally available through no breach of an obligation of confidentiality; (ii) was already in the possession of Consultant at the time received in connection with this Agreement without any prior obligation of confidentiality; (iii) was lawfully obtained by Consultant from a third-party without breach of an obligation of confidentiality; or (iv) was required to be disclosed by applicable law. Consultant shall not disclose or use Confidential Information except as necessary to perform the Services.

7.5 PSE exclusively owns all PSE Information. "PSE Information" is any information about persons or entities that Consultant obtains in any manner from any source under this Agreement, which concerns prospective and existing customers or employees of PSE, or any third-party PSE has a business relationship with. PSE Information includes, without limitation, names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, call-detail information, purchase information, product and service usage information, account information, credit information and demographic information. Consultant (a) may collect, access, use, maintain and disclose PSE Information only for the specific purpose for which such PSE Information is collected, stored or processed by Consultant in order to perform the Services, and (b) shall not otherwise use or disclose PSE Information, whether or not it is publicly available.

7.6 Consultant shall immediately notify PSE of any actual, probable or reasonably suspected breach of security of Consultant's systems and of any other actual, probable or reasonably suspected unauthorized access to or acquisition, use, loss, destruction, compromise or disclosure of any Confidential Information of PSE, including without limitation any PSE Information (each, a "Security

Breach"). In any notification to PSE required under this paragraph, Consultant shall designate a single individual employed by Consultant who must be continuously available to PSE as a contact regarding Consultant's obligations under this paragraph. Consultant shall, at its own expense (a) assist PSE in investigating, remedying and taking any other action PSE deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; and (b) shall provide PSE with assurance satisfactory to PSE that such Security Breach or potential Security Breach will not recur. Unless prohibited by an applicable statute or court order, Consultant shall also notify PSE of any third-party legal process relating to any Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).

7.7 Upon termination of this Agreement, or upon the request of PSE, Consultant shall return, or at PSE's option destroy, any and all Confidential Information. Consultant shall certify in writing the completion of such return or destruction. The obligations of this paragraph shall survive termination of this Agreement.

7.8 Except as may be required by law, neither party to this Agreement shall, without the prior written consent of the other, make any news release or public announcement or place any advertisement stating that PSE and Consultant have contracted for the products or services specified in this Agreement or have entered into any business relationship. Use of any PSE name, trademark or service mark in any promotional materials of Consultant requires PSE's prior written approval, which is subject to the sole discretion of PSE to grant or withhold. In the event that PSE approves the use of its name, trademark, or service mark in any announcement, news release or promotional materials of Consultant, all of the contents shall be submitted to PSE's Corporate Communications Department for review prior to any publication by Consultant.

7.9 In addition to the provisions of the IT Security Addendum attached hereto, the following applies to all Services performed hereunder.

- In order to ensure that PSE maintains the most current data set for its customers and employees, any and all relevant PSE Information provided shall remain:
 - the property of PSE;
 - accessible to PSE at all times via secure automated means; and
 - accessible in near real-time as necessary.
- The data format and exchange mechanisms (e.g. Secure File Transfer, API, data extracts) shall comply with PSE Security requirements and best practices guidelines, and will be determined by the capabilities of PSE and the Consultant. At a minimum, data-related designs shall include the following:
 - Encryption and/or other relevant protection requirements, including:
 - Data at-rest and in-transit for both source and target systems; and
 - Requisite infrastructure and/or application requirements and costs.
 - Identification and approval of the applicable PSE data owner.
 - A mechanism for express consent to be given or withdrawn for PSE's use in accordance with consumer privacy requirements.
 - Any PSE Customer Master Data (e.g. address, phone, email, preferences) sent by PSE shall not be changed or appended without prior written consent of PSE (where email is an acceptable form of writing). Any changed or appended data remains the

property of PSE and shall be transmitted back to PSE as specified in Sections 7.9(b) and (c) via the mechanisms described in this Section II.

- Any relevant data types added or changed shall be the property of PSE and shall be transmitted to PSE as specified in Sections I(b) and (c) via the mechanisms described in this Section 7.9(b).
- For any Consultant hosted solutions, the following requirements apply:
 - Every action available to prospective and/or existing PSE customers (e.g. next buttons, final submissions, setting changes, etc.) shall include meta data describing the action taking place and the return code or similar completion status indicator.
 - Actions described in requirement (A) must be linked to the PSE customer's SAP Contract Account ID and Business Partner ID wherever possible.

SECTION 8. RELEASE, INDEMNITY AND HOLD HARMLESS

8.1 Consultant releases and shall defend, indemnify and hold harmless PSE, its subsidiaries and affiliates, and each of their respective shareholders, directors, officers, employees, representatives and agents from and against any and all claims, costs, losses, liabilities, damages, fines, and expenses of any nature (including, without limitation, reasonable attorneys' fees and costs) that arise out of or relate to, directly or indirectly, any actual or alleged:

(a) fault, negligence, professional error or omission, strict liability or product liability of Consultant or any Support in connection with this Agreement;

(b) lien asserted by any Support or any supplier or vendor of Consultant upon any property of PSE in connection with this Agreement;

(c) infringement or misappropriation of any patent, copyright, trade secret, trademark or other intellectual property right by any deliverables or Services;

(d) act, error or omission of any Support that, if done by Consultant, would be a breach or default under this Agreement; or

(e) breach or default under this Agreement by Consultant.

8.2 In connection with any action to enforce Consultant's obligations under this Section 8, Consultant waives any immunity, defense or protection under any workers' compensation, industrial insurance or similar laws (including, but not limited to, the Washington Industrial Insurance Act, Title 51, of the Revised Code of Washington).

8.3 Consultant acknowledges that the foregoing provisions regarding indemnification and waiver are an important part of the consideration for PSE to enter into this Agreement, and that the foregoing waiver provision has been mutually negotiated.

SECTION 9. WORKERS' COMPENSATION AND INSURANCE

9.1 With respect to all persons performing the Services, Consultant or its Support shall secure and maintain in effect at all times during performance of the Services coverage of insurance in accordance with the applicable laws relating to workers' compensation and employer's liability insurance (including,

but not limited to, the Washington Industrial Insurance Act and the laws of the jurisdiction in which any such person was hired), regardless of whether such coverage or insurance is mandatory or merely elective under the law. Consultant shall furnish to PSE such assurance and evidence of such coverage or insurance (such as copies of insurance policies and Certificates of Compliance issued by the Washington State Department of Labor and Industries) as PSE may request.

9.2 Consultant shall secure and maintain insurance with provisions, coverages and limits as specified in the attached certificate of insurance, endorsement and/or schedule of insurance requirements or, if none is attached, with such provisions, coverages and limits as PSE may from time to time specify to protect PSE, its successors and assigns, and the respective directors, officers, employees, and agents of PSE and its successors and assigns (collectively, the "Owner Parties") from any claims, losses, harm, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) that may arise out of any property damage, bodily injury (including death) or professional liability related to the Services. Upon PSE's request, Consultant shall furnish PSE with such additional assurance and evidence of such insurance (such as a certificate of insurance or copies of all insurance policies) as PSE may request. Within thirty (30) days after any renewal or any notice of termination, cancellation, expiration or alteration in any policy of insurance required under this Agreement, Consultant shall deliver to PSE a certificate of insurance acceptable to PSE with respect to any replacement policy.

- All policies of insurance required under this Agreement shall:
 - A. be placed with such insurers and under such forms of policies as may be acceptable to PSE;
 - B. with the exception of workers' compensation, employer's liability and professional liability insurance, be endorsed to name the Owner Parties as additional insureds;
 - C. be primary insurance with respect to the interests of the Owner Parties;
 - D. any insurance or self-insurance maintained by any of Owner Parties shall be excess and non-contributory insurance with respect to the insurance required hereunder;
 - E. with the exception of workers' compensation, employer's liability and professional liability insurance, apply severally and not collectively to each insured against whom any claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy; and
 - F. provide that the policies shall not be canceled or their limits or coverage reduced or restricted without giving at least 30 days prior written notice to the Purchasing Department of Puget Sound Energy, Inc., PO Box 97034, (EST-07E) Bellevue, WA 98009-9734

9.4 Consultant shall ensure that any policy of insurance that Consultant or any Support carry as insurance against property damage or against liability for property damage or bodily injury (including death) shall include a provision providing a waiver of the insurer's right to subrogation against each of the Owner Parties. To the extent permitted by its policies of insurance, Consultant hereby waives all rights of subrogation against each of the Owner Parties.

9.5 The requirements of this Agreement as to insurance and acceptability to PSE of insurers and insurance to be maintained by Consultant are not intended to and shall not in any way limit or qualify any other obligation of Consultant under this Agreement.

9.6 Consultant must report to PSE any Occupational Safety and Health Administration (OSHA) recordable injuries that occur while performing work on behalf of PSE. A recordable injury includes any

injury that results in treatment beyond first aid, restricted workdays, and/or lost workdays. Consultant will report its OSHA recordable injuries for the previous month by the 5th day of each month (e.g. all October OSHA recordable injuries are reported by November 5th). The first report will be due the 5th day of the month following commencement of the Services. Consultant shall use the form included with this Agreement when reporting the injuries. When completed, the form shall be sent to consultantsafety@pse.com.

SECTION 10. CHANGES

10.1 PSE may at any time, by written notice thereof to Consultant, make changes in the Services within the general scope of this Agreement (including, but not limited to, additions to or deletions from any Services, suspension of performance and changes in the schedule and location of performance). If applicable, PSE and Consultant will follow the change process set forth in the SOW.

10.2 If any change under paragraph 10.1 causes an increase or decrease in the cost of or the time required for performance of the Services, an equitable adjustment in the compensation and schedule under this Agreement shall be made to reflect such increase or decrease, and this Agreement shall be modified in writing accordingly. Such equitable adjustment shall constitute full compensation to Consultant for such change. If any change under paragraph 10.1 results in a decrease in the Services to be performed, Consultant shall not be entitled to anticipated profit on Services not performed, and the loss of anticipated profit shall not affect the reduction in Consultant's total compensation resulting from such decrease. Further, Consultant shall not be entitled to any reallocation of cost, profit or overhead.

10.3 Notwithstanding any dispute or delay in arriving at a mutually acceptable equitable adjustment under paragraph 10.2, Consultant shall immediately proceed with performance of the Services as changed pursuant to paragraph 10.1 or pursuant to the SOW. If Consultant intends to assert a claim for equitable adjustment under paragraph 10.2, Consultant must, within fifteen (15) days after Consultant's receipt of any notice under paragraph 10.1 that does not set forth an acceptable adjustment, submit to PSE a written statement of the basis and nature of the adjustment claimed. Consultant shall not be entitled to any adjustment unless such written statement is submitted by Consultant to PSE within the applicable fifteen (15) day period.

SECTION 11. CORRECTION OF NONCOMPLIANCES

11.1 Consultant shall, at its expense, promptly and satisfactorily correct any Services found to be defective or not in compliance with the requirements of this Agreement.

11.2 If PSE directs Consultant to correct defective or noncomplying Services or to otherwise achieve compliance with this Agreement and Consultant thereafter fails to comply or indicates its inability or unwillingness to comply, then PSE may, upon ten (10) days' advance written notice to Consultant of PSE's intention to do so, correct (or cause to be corrected) the defect or noncompliance or otherwise achieve compliance by the most expeditious means available to it (by contract or otherwise) and charge to or otherwise recover (e.g., by offset against compensation payable under this Agreement) from Consultant the cost thereof.

11.3 PSE's right to make corrections and otherwise achieve compliance and recover from Consultant the cost thereof is in addition to all other rights and remedies available to PSE under this Agreement or otherwise by law and shall in no event be construed or interpreted as obligating PSE to make any

correction of defective or noncomplying Services or to otherwise achieve compliance with this Agreement. Consultant's obligation to correct defective or noncomplying Services shall not in any way limit or qualify any other obligation of Consultant under this Agreement. Further, Consultant's obligations shall not be limited or qualified in any way because of any rights PSE has, or exercises, under this Section 11.

SECTION 12. TERMINATION

12.1 PSE may at any time, by written notice thereof to Consultant, terminate this Agreement as to all or any portion of the Services not then performed, whether or not Consultant is then in breach or default. Upon receipt of any such notice of termination, Consultant shall, except as otherwise directed by PSE, immediately stop performance of the Services to the extent specified in such notice and deliver to PSE any work in process or deliverables, regardless of their level of completion.

12.2 In the event of termination pursuant to paragraph 12.1, an equitable adjustment shall be made in the compensation payable to Consultant under this Agreement, provided that such compensation as so adjusted shall in no event exceed a percentage of the total compensation otherwise payable under this Agreement equal to the percentage of the Services satisfactorily completed at the time of termination. Further, Consultant shall not be entitled to any reallocation of cost, profit or overhead. Consultant shall not in any event be entitled to anticipated profit on Services not performed on account of such termination. Consultant shall use its best efforts to minimize the compensation payable under this Agreement in the event of such termination.

SECTION 13. MISCELLANEOUS

13.1 Any notice, request, designation, direction, statement or other communication under this Agreement shall be (i) in writing (ii) delivered to the intended recipient at the address, to the attention of, and in the manner specified in the applicable SOW and (iii) effective upon receipt. Either party may change its address specified in the applicable SOW by giving the other party notice of such change in accordance with this paragraph.

13.2 Consultant shall not (by contract, operation of law or otherwise) assign this Agreement or any right or interest in this Agreement without the prior written consent of PSE. For the purposes of the foregoing, any transfer of a controlling interest in Consultant (e.g., by a transfer of securities or otherwise) shall be deemed an assignment of this Agreement. Any assignment without PSE's prior written consent shall be voidable at PSE's option. No such assignment, with or without PSE's prior written consent, shall relieve Consultant from its responsibility to perform the Services in accordance with this Agreement. Subject to the foregoing restriction on assignment by Consultant, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the successors, assigns and legal representatives of the Parties.

13.3 PSE may engage an independent third-party to conduct an information security audit of Consultant's systems from time to time, the costs and expenses of which shall be borne by PSE. If any such audit reveals a material vulnerability in Consultant's systems, PSE shall notify Consultant of such vulnerability and Consultant shall promptly correct each such vulnerability at its sole cost and expense. Consultant shall certify in writing to PSE that it has corrected all such vulnerabilities. If any audit performed under this paragraph reveals a material vulnerability in Consultant's systems, then Consultant shall bear (and if applicable, shall reimburse PSE for) all costs and expenses of such audit.

13.4 The failure of PSE to insist upon or enforce strict performance by Consultant of any of the provisions of this Agreement or to exercise any rights under this Agreement shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

13.5 The obligations of Consultant under Sections 6, 7, 8, 11, 12 and 13, and all provisions of this Agreement that may reasonably be interpreted or construed as surviving the completion, termination or cancellation of this Agreement, shall survive the completion, termination or cancellation of this Agreement.

13.6 The rights and remedies of PSE set forth in any provision of this Agreement are in addition to and do not in any way limit any other rights or remedies afforded to PSE by any other provision of this Agreement or by law.

13.7 This Agreement sets forth the entire agreement of the Parties, and supersedes any and all prior agreements with respect to the Services. No amendment or modification of any provision of this Agreement (other than changes pursuant to Section 10) shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

13.8 The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted. The headings of sections of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections.

13.9 Consultant shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of this Agreement, to recover damages for breach or default under this Agreement, or otherwise arising under or by reason of this Agreement, other than in the state and federal courts sitting in King County, Washington. Consultant hereby irrevocably consents to the jurisdiction of the courts of the State of Washington with venue laid in King County, and of the U.S. District Court for the Western Division District of Washington in Seattle, Washington.

13.10 This Agreement shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington without reference to any choice of law principles to the contrary.

13.11 This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Intending to be legally bound, PSE and Contractor have caused their duly authorized representatives to execute this Services Agreement in the space provided below.

Puget Sound Energy, Inc.

Contractor or Consultant:

By: _____ By: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

2. Occupational Safety and Health Administration (OSHA) Recordable Injury Report

In the event of any injury which occurs while performing program activities, selected bidder would be required to complete and submit the following injury report.

Contractor Injury/Illness	
Name of Contractor:	
Date of Incident:	
Where Incident Occurred:	
Severity of Incident: (*Recordable/**Lost Time)	
Short Description of Incident:	

***Recordable Injury:** Work-related injury that involved medical treatment beyond first aid, restricted workdays, and/or lost workdays.

****Lost Time:** One or more days away from work due to injury (not including day of injury).

3. IT Security Addendum

Successful Bidders must also sign a Services Agreement for Information Security Requirements. Please find attached a copy of the consulting agreement. Bidders hosting data should review the supplier hosted addendum.

- **Attachment 2** - *Addendum to Services Agreement for Supplier Consulting*
- **Attachment 3** - *Addendum to Services Agreement for Supplier Hosting*

4. Sample Statement of Work (SOW) and Budget Document

Successful Bidders are required to work cooperatively with the appropriate program team in advance of contracting to finalize a thorough and detailed Scope of Work and itemized line item budget. Both documents will be based upon RFP response and subsequent discussions. Additionally, you may be required to prepare additional supplemental program documents e.g. program plan. These items will be submitted to PSE Contract Services with the internal request for contract preparation/finalization and be included as attachments to the Agreement for final signature.

STATEMENT OF WORK PSE OUTLINE AGREEMENT No.

This Statement of Work ("Statement of Work" or "SOW"), effective as of the date of the last signature below, is made pursuant to and shall be governed by the Terms and Conditions of the [governing agreement name and Number] dated as of [date], (the "Agreement"), by and between **[formal vendor name ("Consultant"/"Contractor")]**, and **Puget Sound Energy, Inc. ("PSE")**. This SOW shall be subject to all the Terms and Conditions set forth in the Agreement, except as may be specifically modified hereby with reference to the section of the Agreement modified. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. DESCRIPTION OF WORK

1. **Program Scope**

Under this Statement of Work Consultant shall perform the following Services:

- 1.
- 2.

PSE will be responsible for the following activities in support of the Program:

- 1.
- 2.

The Program schedule (e.g., Deliverable/milestone due dates) and specifications for Services and/or Deliverables shall be as identified herein or as otherwise mutually agreed and documented during the term of the Program.

1. **Success Criteria**

The success of the Program will be determined based upon the following criteria (e.g., completion by a particular date, interoperability with specific systems, etc.):

-
-

1. **Assumptions**

Successful completion of the Program may rely in part on the following:

- 1.
- 2.

1. **Consultant Personnel**

All assigned Consultant resources shall be retained throughout the term of the Program (for so long as they remain in Consultant's employ); specific key individuals and/or roles are identified below. NERC-CIP certification is not required for Program resources.

Role	Name (or TBD)	Office #	Mobile #	e-mail

The following describes the qualifications and responsibilities of each role named above:

-
-

1. **Program Location**

Services will take place at PSE's offices in [city], Washington, or as otherwise agreed between the parties.

Remote access to PSE's systems is not required.

[IT Security Note: If the answer to ANY of the following questions is "Yes", IT Security Contract Language may need to be included in the agreement and IT Security should be engaged in the review:

1. Does the proposed service require connectivity to PSE network, remotely or directly?
2. Does the proposed vendor view/maintain/host PSE owned data?
3. Does the vendor support PSE systems onsite?]

1. **Program Timeline**

1. Estimated Program Start
2. Estimated Program Completion
3. Estimated Program Duration

1. **Data Handling.** In addition to the provisions of the IT Security Addendum attached to the Agreement, the following applies to all Services performed hereunder.

- In order to ensure that PSE maintains the most current data set for its customers and employees, any and all relevant PSE Information provided shall remain:
 - the property of PSE;
 - accessible to PSE at all times via secure automated means; and
 - accessible in near real-time as necessary.
- The data format and exchange mechanisms (e.g. Secure File Transfer, API, data extracts) shall comply with PSE Security requirements and best practices guidelines, and will be determined by the capabilities of PSE and the Consultant. At a minimum, data-related designs shall include the following:
 - Encryption and/or other relevant protection requirements, including:
 - Data at-rest and in-transit for both source and target systems; and
 - Requisite infrastructure and/or application requirements and costs.
 - Identification and approval of the applicable PSE data owner.

- A mechanism for express consent to be given or withdrawn for PSE's use in accordance with consumer privacy requirements.
- Any PSE Customer Master Data (e.g. address, phone, email, preferences) sent by PSE shall not be changed or appended without prior written consent of PSE (where email is an acceptable form of writing). Any changed or appended data remains the property of PSE and shall be transmitted back to PSE as specified in Sections 1.7(a)(i) and (ii) and via the mechanisms described in this Section 1.7(b).
- Any relevant data types added or changed shall be the property of PSE and shall be transmitted to PSE as specified in Sections 1.7(a)(i) and (ii) via the mechanisms described in this Section 1.7(b).
- For any Consultant hosted solutions, the following requirements apply:
- Every action available to prospective and/or existing PSE customers (e.g. next buttons, final submissions, setting changes, etc.) shall include meta data describing the action taking place and the return code or similar completion status indicator.
- Actions described in requirement (A) must be linked to the PSE customer's SAP Contract Account ID and Business Partner ID wherever possible.

I. DELIVERABLES

1. Deliverables

In addition to the Services specified in Section 2.1, Consultant shall provide the following Deliverables:

- 1.
- 2.

1. Deliverable Acceptance Process

PSE will review and approve Program Deliverables. The Deliverable acceptance process will be as follows:

- When complete, Consultant shall submit final Deliverables and a copy of the "Deliverable Acceptance Form" (attached hereto as Exhibit A) to the PSE designee(s), who will conduct a review to determine the Deliverables' conformance with the Program specifications. Upon completion of this review the PSE designee(s) will complete the Deliverable Acceptance Form indicating acceptance or rejection by PSE, and return it to Consultant.
- If a Deliverable is neither accepted nor rejected within ten (10) business days, the Deliverable will be deemed to have been accepted by PSE without change or comment. PSE may also request an extension to the acceptance period, which will not be unreasonably withheld by Consultant unless it affects the Program schedule.
- If PSE rejects a Deliverable, PSE will provide Consultant with a written description of the reason for rejection on the Deliverable Acceptance Form. If the identified Deliverable discrepancies are mutually agreed to be within the Program specifications, Consultant shall rework the Deliverable at its sole cost as necessary to achieve its conformance with the specifications. If the discrepancies are mutually agreed to be outside the specifications, PSE shall either accept the Deliverable as-is or request a change order. If the parties cannot come to an agreement regarding the discrepancies, the issue shall be elevated to respective management teams to discuss the Deliverable and Program specifications in detail.

DELIVERABLE ACCEPTANCE FORM

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Time & Materials Table

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Fixed Fee Table

Deliverable	Fixed Fee
Total	
Estimated Expenses	
Grand Total (Fixed Fee)	

Fixed fees to be invoiced upon PSE's written acceptance of the applicable Deliverable, as specified in Section 2.

1. **Payment Terms**

Payment terms shall be as specified in the Agreement. Consultant shall reference this SOW number on all invoices and correspondence related to this SOW. PSE reserves the right to reject any invoice submitted greater than 90 days after the completion of the applicable Services or acceptance of the applicable Deliverable.

1. **Expenses**

[CHOOSE ONE:]

No Consultant expenses are authorized under this SOW.

Reasonable pre-approved travel expenses in support of the Program may be invoiced monthly, with no-markup and submitted with receipt documentation.

III. **PROGRAM GOVERNANCE**

A. Program Change Management Procedure

In the event a change is identified that affects the scope, timeline, or cost of the Program, Consultant shall determine, at its expense, any schedule and cost adjustments and submit a change request to the PSE Program Contact for review. Approved changes will be executed by both parties as a change order to this Statement of Work, and will be updated in the Program Plan. Change requests will be logged, tracked, and reported in status reports and at meetings.

B. Criteria for Change

The following identifies the criteria for change:

If the requirements for the Deliverables exceed those stated herein, Consultant will issue a change request for the change in terms of costs, scope, and schedule, as applicable.

A deviation of any item listed in the "Assumptions" section above may be the basis for a change request.

C. Program Communication; Engagement; Documentation

Consultant shall provide prompt notice of any risk or issue that has the potential to jeopardize the Program's success, and shall participate as appropriate and requested in actions to mitigate the risk.

Consultant shall perform cooperatively with any and all PSE resources or third parties with respect to the Program.

Consultant will track status of all Program documentation including the Deliverable approval process and status.

IV. CONTACT INFORMATION

PSE Program Contract: Name: Role: Office: Mobile Phone: Email:	Consultant Program Contact: Name: Role: Office: Mobile Phone: Email:
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V. AUTHORIZATION

Intending to be legally bound, PSE and Consultant have caused their duly authorized representatives to execute this Statement of Work in the space provided below.

PSE/Accepted and Agreed:
Puget Sound Energy

By: _____
Printed Name: _____
Title: _____
Date: _____

Consultant/Accepted and Agreed:

By: _____
Printed Name: _____
Title: _____
Date: _____

5. Insurance Requirements

PSE requires insurance of all vendors doing business with our company. Successful Bidders shall disclose any or all exceptions to PSE's insurance requirements.

See **attachment 4** - *COI SAMPLE CONTRACTOR - 0121* for a list of insurance requirements that will be required from successful bidder.



6. Mutual Non-Disclosure Agreement (MNDA)

Successful Bidders must sign the Confidentiality Agreement and provide two signed originals to PSE. PSE will countersign the MNDA and return one fully executed agreement to the respondent. Please review **attachment 5 - *Mutual Nondisclosure Agreement*** for a copy of the current agreement.

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