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**San diego Gas & Electric Company**

Electric and Fuel Procurement Department

8315 Century Park Court, CP21D

San Diego, CA 92123

**2021**

**Request for Proposals**

Independent evaluators

**Issued**

July 29, 2021

**Offers Due**

August 20, 2021

**RFO WEBSITE**

<http://www.sdge.com/procurement/2021IERFP>

**Email questions/comments to**

IERFP@sdge.com

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# 1.0 Introduction

San Diego Gas & Electric Company (SDG&E) is a regulated utility that provides electric service to approximately 3.6 million customers in San Diego County and the southern portion of Orange County through 1.4 million electric meters and approximately 873,000 gas customers. The electric customer base is comprised of 89% residential and 11% non-residential customers. The utility’s service area spans 4,100 square miles.  Providing exceptional customer service is a priority of SDG&E.  SDG&E is a subsidiary of Sempra Energy (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego.

# 2.0 RFP Background

Decision (D.)07-12-052 (Decision), issued in December 2007 by the California Public Utilities Commission (CPUC or Commission), requires all investor-owned utilities (IOUs) to utilize an independent evaluator (IE) to monitor long-term solicitations that may involve affiliate, utility-owned or utility-turnkey bids and for all competitive solicitations seeking products greater than three months in length. A subsequent decision, D.14-02-040, requires that IEs be reevaluated every three years. The Decision requires IOUs to:

1. have a pool of at least three IEs;
2. involve the CPUC’s Energy Division (ED) in developing the IE scope of work, drafting the IE contract and issuing the IE solicitation; and
3. work with the IOU’s Procurement Review Group[[1]](#footnote-2) (PRG) and the ED to develop comprehensive conflict-of-interest disclosure requirements for IEs.

In accordance with the requirements of the Decision, this Request for Proposals (RFP) is being issued for the purpose of identifying qualified parties to be a part of SDG&E’s IE pool for the 2022-2024 period. SDG&E encourages IEs currently in the IE pool to submit a bid if they wish to remain in the IE pool during the 2022-2024 period. SDG&E will consult with both the ED and the PRG in the evaluation and selection process.

Parties submitting responses to this solicitation (Respondents) should be aware that joining SDG&E’s IE pool does not obligate SDG&E to execute a consulting contract. If SDG&E selects an IE from its pool to monitor a specific solicitation, bilateral negotiation or contract amendment, SDG&E and the selected IE will enter into a Standard Services Agreement (SSA) at that time. The SSA would incorporate the Scope of Work detailed in this solicitation, a Declaration Regarding Conflict of Interest and Terms and Conditions in this solicitation.

Participation from Diverse Business Enterprises:

SDG&E encourages Diverse Business Enterprises (DBEs), as defined in G.O. 156,[[2]](#footnote-3) to participate in this RFP, with a goal of 42% with diverse businesses. Additional information on SDG&E’s DBE program can be found at:

<https://www.sdge.com/more-information/doing-business-with-us/supplier-diversity> and

<http://www.cpuc.ca.gov/puc/supplierdiversity/>

Additionally, DBEs can request additional information by contacting SDG&E at [supplierdiversity@sempra.com.](mailto:supplierdiversity@sempra.com)

SDG&E seeks to increase opportunities for diverse business entities to compete for SDG&E’s business, through both direct and indirect contracting, and will consider DBE status, as demonstrated by the IE’s responses to the Supplier Diversity Questionnaire, during SDG&E’s qualitative analysis.

# 3.0 Scope of Work

The function of the IE is to consult with SDG&E (and ED if needed) on the design, administration, and evaluation of SDG&E’s Requests for Offers (RFOs) for capacity, energy, or electricity-related products. The IE provides guidance to SDG&E, the PRG, and ED on whether the overall scope and solicitation process is open, transparent and free from anti-competitive behavior. If an affiliate of SDG&E submits a proposal, the IE shall review SDG&E’s processes to ensure that the selection process is fair and free from influence by the affiliate relationship. Additionally, IE oversight may also be requested for bilateral negotiations for capacity, energy, or electricity-related products.

The IE will participate in meetings with, and report findings to, SDG&E’s PRG, the ED and the CPUC. If called upon to testify, the IE may serve as expert witness in proceedings.

The IE does not make binding decisions on behalf of SDG&E. The IE makes recommendations to SDG&E during the procurement process but does not have the authority to require SDG&E to follow its recommended course of action. The IE will not negotiate with any bidder on SDG&E's behalf.

The IE will be given reasonable access to information, negotiations, meetings, and communication related to offers submitted by all bidders.

The IE function requires multiple competencies. The IE must: (i) possess technical expertise germane to evaluating capacity, energy and other electricity-related products; (ii) be familiar with relevant industry practices, various standard contracts and California- specific regulatory framework; and (iii) be able to quickly examine and evaluate offers for power purchase agreements, buyout options and turn-keys on a side-by-side basis. All personnel providing material support must be at a senior level in terms of qualifications and experience.

The IE will immediately report to ED, the PRG, and SDG&E management any perceived attempt by any party involved in the solicitation process to improperly influence any findings determined by the IE or to challenge or interfere with their independent role in the solicitation process.

## Responsibilities and Tasks

In support of the functions discussed above, IE responsibilities and tasks will include (but are not limited to) the following:

* 1. Advise on the consistency of RFO activities with the Commission's procurement-related rules and procedures and SDG&E’s Commission-approved Bundled Procurement Plan (BPP), Renewable Portfolio Standard Procurement Plan (RPS Plan), Integrated Resource Plan (IRP), Integrated Distributed Energy Resources (IDER) Planning, and System Reliability Procurement.
  2. Assist in the development, design and review of RFOs.
  3. Promptly submit any recommendations consistent with the objective of ensuring a fair, competitive, open and transparent process, and ensure that the overall scope of the RFO process is not unnecessarily broad or too narrow.
  4. Attend (in person or over the phone) all negotiations with affiliate counterparties and monitor negotiations with non-affiliate counterparties.
  5. Attend (in person or over the phone) all PRG meetings where contracted RFO is being discussed.
  6. Provide recommendations and reports, if required, concerning the definitions of products sought and price and non-price evaluation criteria, so that all aspects of the products are clearly understood allowing all bidders to effectively respond to the solicitations, as applicable.
  7. Review the comprehensive quantitative and qualitative bid evaluation criteria and methodologies and assess whether these criteria are applied to all bids in a fair and non-discriminatory manner. The IE will be provided reasonable access to SDG&E’s personnel, modeling tools, and meeting documentation in order to evaluate the bid valuation and selection processes.
  8. Report on the outcome of RFOs using the appropriate CPUC Independent Evaluator Report Template, as may be amended from time to time.
  9. Monitor the RFO bilateral negotiation or contract amendment process and promptly submit recommendations to SDG&E’s management to ensure that no bidder has an advantage and that all bidders or counterparties (if applicable), receive access to relevant communications in a non-discriminatory manner. This task may include monitoring contract negotiations and/or keeping apprised of negotiation status and major issues.
  10. Provide periodic presentations as requested to SDG&E’s management, the PRG, and ED (if requested) concerning the IE’s findings. Communicate periodically with the ED as a check on the RFO process.
  11. Provide a final written assessment as to whether or not SDG&E’s final contract selection was unfairly influenced by its affiliate relationship in cases of affiliate offers / negotiations / contracting.
  12. Provide a final written assessment as to whether or not the solicitation, bilateral negotiation and contract amendment processes were open, transparent and fair and whether any bidder received material information that gave them a competitive advantage or disadvantage relative to other bidders.
  13. Provide a final written assessment as to whether or not the solicitation, bilateral negotiation and contract amendment processes were fair and whether any affiliate counterparty received material information that gave such counterparty a competitive advantage or disadvantage relative to other counterparties.
  14. Provide a final written assessment as to whether or not SDG&E’s evaluation criteria and methodologies were reasonable and appropriate and were applied in a fair and non-discriminatory manner to all offers received.
  15. Prepare or assist in the preparation of direct and/or rebuttal testimony and participate as a witness and/or in an advisory capacity during administrative hearings, as required, before the CPUC and / or FERC in any associated proceedings.
  16. Attend annual IE roundtable meetings with ED and other IEs.

# 4.0 Evaluation Criteria

All Respondents will be pre-screened to assess the potential for a conflict of interest, as contemplated in the attached Declaration Regarding Conflict of Interest document. To the extent SDG&E, its PRG or the ED believe a Respondent has a potential conflict of interest, that Respondent shall not be selected to join SDG&E’s IE pool.

Only respondents that pass the pre-screening process will be considered.  SDG&E will score proposals using a qualitative quantitative scoring   methodology.  The quality of a bid will be assessed by judging relevant experience of key personnel, pricing, and feasibility of the supplier’s diversity plan.  Respondents will be ranked based on weighted scores (10 highest, 1 lowest). There are two main categories of evaluation: 1) Costs, Contracts and Certificate of Insurance and 2) Professional Background and Expertise with both assigned 50%. SDG&E’s IE pool is required to contain at least three qualified entities; therefore, SDG&E will be selecting more than one high quality bid for the new pool for the 2022-2024 period.

# 5.0 RFP Schedule

The following schedule applies to this RFP. SDG&E reserves the right to revise this schedule at any time and at SDG&E’s sole discretion.

|  |  |  |
| --- | --- | --- |
| No. | Item | Date |
| 1. | IE Request for Proposals issued. | July 29, 2021 |
| 2. | DEADLINE TO REGISTER  Participants are required to register for the RFP on PowerAdvocate® | August 5, 2021  12 PM  Pacific Prevailing Time |
| 3. | DEADLINE TO SUBMIT QUESTIONS  Question submittal cut-off date. Answers to all questions will be posted on the website no later than July 20, 2021 | August 11, 2021  12pm  Pacific Prevailing Time |
| 4. | CLOSING DATE:  Offers must be uploaded to and received by PowerAdvocate® no later than 12:00 PM  (Pacific Prevailing Time) | August 20, 2021  12 PM  Pacific Prevailing Time |
| 5. | SDG&E Begins Bid Evaluation Process | August 23, 2021 |
| 6. | SDG&E provide shortlisted recommendation to the PRG | August 30, 2021 |
| 7. | PRG interviews respondents identified in step 6 | September 7 – 10, 2021 |
| 8. | PRG provides recommendation of final IE selection to SDG&E | September 24, 2021 |
| 9. | AWARD NOTIFICATIONS  SDG&E notifies final selected IEs | September 28, 2021 |
| 10. | Begin contract negotiations with final selected IEs | September 28, 2021 |
| 11. | Send appreciation notices to unsuccessful respondents | September 28, 2021 |
| 12. | Send request to ED for approval of SDG&E's IE pool for 2022-2024 | October 1, 2021 |
| 13. | Receive ED approval | October 29, 2021 |
| 14. | Execute Contracts | November 30, 2021 |

# 6.0 SUBMITTAL Instructions

Respondents may submit offers to this solicitation by submitting the forms listed below via the PowerAdvocate ® website: <https://www.poweradvocate.com/pR.do?okey=117451&pubEvent=true> no later than the Closing Date (defined above). Failure to provide the required information may result in the offer being deemed non-conforming and may disqualify the offer from further consideration.

**Required Forms:**

**Appendix 1 – Declaration Regarding Conflict of Interest.** This is to be filled out by each potential IE; a minimum of one per firm is required.

**Appendix 2 – General Terms and Conditions.** This RFP is subject to the attached Standard Services Agreement. Any proposed revisions to the terms set forth in the Standard Services Agreement must be noted by “redlining” the relevant contract term with proposed alternative language and providing such “redlined” changes in your response to this RFP. Failure to propose revisions to the terms of the Standard Services Agreement in your response to the RFP constitutes waiver of the right to propose revisions to the Standard Service Agreement and will be deemed to be acceptance of all terms in the Standard Services Agreement at time of award.

**Appendix 3 – Independent Evaluator Questionnaire**. Please enter your responses directly into Appendix 3.

**Appendix 4 – Pricing Workbook.** Please enter your pricing information (labor classifications and rates) directly into Appendix 4.

**Appendix 5 – Supplier Diversity Questionnaire.** Please enter your responses directly into Appendix 5.

**Appendix 6 – DBE Subcontracting Goal and Reporting Schedule.** Please submit your DBE subcontracting goal information directly into Appendix 6.

**Certificate of Insurance** to reflect adherence to SDG&E’s Insurance Requirements as stated in Article 11 of SDG&E’s Standard Services Agreement in SCHEDULE A – ADDITIONAL TERMS AND CONDITIONS.

These files are available for download from the RFP Website (<http://www.sdge.com/procurement/2021IERFP>) and the 2021 IE RFP event on the PowerAdvocate® website (**note**: the PowerAdvocate® website will be the only means to submit the required files and prospective respondents should register on PowerAdvocate® to receive a user name and password). Proposals shall clearly demonstrate compliance with all requirements in this RFP and shall include a cover letter signed by an authorized representative.

# 7.0 RFP Conditions

## Equal Opportunity Employer

Company is an equal opportunity employer and federal contractor or subcontractor. Consequently, Respondent agrees that, as applicable, it will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Respondent also agrees that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.

## Proposal Property

All materials submitted by potential IEs become the property of SDG&E, subject to any confidentiality agreements between SDG&E and the Respondent. SDG&E assumes no responsibility for returning submitted materials.

SDG&E reserves the right to investigate the references and past performance of any Respondent with respect to, among other factors, compliance with specifications, completion or delivery on schedule, and lawful payment of Contractors, subcontractors, and workers prior to any contract award.

## Confidentiality

Except with the prior written consent of SDG&E, Respondent may not disclose (other than by attendance alone at any meeting to which more than one Respondent is invited by SDG&E) to any other Respondent or potential Respondent their participation in this RFP, and Respondents may not disclose, collaborate on, or discuss with any other Respondent, offer strategies or the substance of offers, including without limitation the price or any other terms or conditions of any indicative or final offer.

SDG&E will use the higher of the same standard of care it uses with respect to its own proprietary or confidential information or a reasonable standard of care to prevent disclosure or unauthorized use of Respondent’s confidential and proprietary information that is labeled as “proprietary and confidential” on the offer page on which the proprietary information appears (“Confidential Information”). Respondent shall summarize those elements of the offer, if any, that are Confidential Information; in particular, the summary must clearly identify whether or not price is to be considered Confidential Information. Confidential Information may be made available on a “need to know” basis to SDG&E’s directors, officers, employees, contractors, consultants, agents and advisors (“representatives”) for the purpose of evaluating respondent’s offer, but such representatives shall be required to observe the same care with respect to disclosure as SDG&E.

Notwithstanding the foregoing, SDG&E may disclose any of the Confidential Information if it is necessary to do so in order to comply with any law, rule, or regulation, or any order, decree, subpoena or ruling or other similar process of any court, securities exchange, control area operator, governmental agency or governmental or regulatory authority, at any time even in the absence of a protective order, confidentiality agreement or non-disclosure agreement, as the case may be, without notification to the Respondent and without liability or any responsibility of SDG&E to the Respondent.

It is expressly contemplated that materials submitted by Respondent in connection with this RFP will be provided to the CPUC, its staff, and the PRG. SDG&E will seek confidential treatment pursuant to Public Utilities Code § 583, CPUC General Order 66-D, D.06-06-066 and/or other relevant law, with respect to any Respondent Confidential Information submitted by SDG&E to the CPUC for the purposes of obtaining regulatory approval. SDG&E will also seek confidentiality and/or non-disclosure agreements with the PRG. SDG&E cannot, however, ensure that the CPUC will afford confidential treatment to Respondent’s Confidential Information or that confidentiality agreements or orders will be obtained from and/or honored by the PRG or CPUC.

SDG&E, its representatives, Sempra Energy, and any of their subsidiaries disclaim any and all liability to Respondent for damages of any kind resulting from disclosure of any of Respondent’s information.

## Reservation of Rights

Company expressly reserves the right to reject any and all proposals and to pursue any alternative. Issuance of this RFP does not commit the Company to purchase or contract for any supplies or services. Company may potentially issue agreements to one or multiple Respondents. Company reserves the right to modify any RFP requirements at any time.

RFP proposal development, presentation and administrative time/work are the sole obligation of the Respondent.

## RFP Not an Offer to Contract

The information presented in this RFP is preliminary and non-binding and does not constitute an offer to contract. Company makes no guarantee that a contract award shall result from this RFP. Company reserves the right at any time, in its sole discretion, to abandon this RFP, to change any dates specified in this RFP, to change the basis for evaluation of proposals, to terminate further participation in this process by any Respondent, to accept any proposal or to enter into any definitive contract, to evaluate the qualifications of any Respondent or the terms and conditions of any proposal, to change any form, document, term or condition used in this RFP, or to reject any or all proposals, all without notice and without assigning any reasons and without liability of the Company or any of its subsidiaries, affiliates, or representatives to any Respondent or other individual or entity. Company shall have no obligation to consider any proposal.

Company will not reimburse any Respondent for its expenses related to this RFP under any circumstances, regardless of whether the bidding process proceeds to a successful conclusion or is abandoned. Company shall not be deemed to have accepted any proposal, and shall not be bound by any term thereof, unless and until an authorized representative of Company executes a definitive contract with the selected Respondent.

Neither Company nor its representatives will be responsible or otherwise liable for verbal instructions.

Failure to understand the total sum of requirements will not relieve the Respondent of responsibility in performing the work. Responding to this RFP will be considered as implicitly denoting that the Respondent has a thorough understanding of the RFP and comprehension of the documents. Neglect of above requirements will not be accepted as reason for delay in the work or additional compensation. Any terms or conditions or deliverables from the RFP not understood by the Respondent must be brought to the attention of Company.

## 

## *Respondent’s Obligations*

By submitting a proposal pursuant to this RFP, the Respondent acknowledges and agrees that:

* 1. it has received the RFP;
  2. it will be fully bound by the terms and conditions of the RFP in submitting its proposal in response to the RFP;
  3. it has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFP and its proposal;

it has obtained all necessary authorizations, approvals and waivers, if any, required by it as a condition of submitting its proposal, and, if its proposal is selected, such proposal shall be subject to the terms and conditions of the form of contract attached to this RFP;

* 1. It has identified and disclosed any potential conflicts of interest between itself and any other participating party in relation to this RFP including shareholder, joint venture, board membership, partnership, affiliate, or any influential or close personal relationship of the Company in relation to this RFP.
     1. At a minimum, it should be able to clearly demonstrate that its organizational, reporting, and performance-management structures are completely separated between those conducting business with Company and those involved in the development of this proposal (which separation must include the use of “ethics walls” similar to those used by legal services firms).
     2. If it is awarded without disclosing a known conflict of interest and one is identified thereafter, Company reserves the right to terminate any subsequent agreement.
  2. it is submitting its proposal subject to and in accordance with all applicable laws;
  3. it has not engaged and will not engage in communications with any other Respondent in the RFP concerning the price terms contained in its Proposal and has not engaged in collusion or other unlawful or unfair business practices in connection with this RFP;
  4. its proposal is binding, subject only to Company’s acceptance, in Company's sole discretion, at any time prior to the termination of the RFP, and satisfaction or waiver of any unsatisfied conditions precedent or subsequent in the form of contract attached to this RFP;
  5. it shall not, without Company’s prior written consent, engage in advertising, promotion or publicity related to this RFP, or make public use of any Company identification in any circumstances related to this RFP or otherwise. “Identification” means any corporate name, trade name, trademark, service mark, insignia, symbol, logo or any other product, service or organization designation, or any specification or drawing owned by Company or its affiliates or any representation thereof; and
  6. any breach by it of the foregoing covenants, representations and warranties is, in addition to any other remedies that may be available to Company under applicable law, grounds for immediate disqualification of such Respondent, and, depending on the nature of the breach, may also be grounds for terminating the RFP in its entirety.

# 8.0 Company Representatives - Questions

Respondents shall not contact any current or former SDG&E employee, or any employee of a Sempra Energy-owned entity, or any contractor providing services to Sempra Energy or its affiliates, regarding this RFP, the designated SDG&E representative team for this RFP. Any such contact shall be grounds for immediate disqualification from participating in the RFP process. All questions regarding this RFP must be submitted to [IERFP@sdge.com](mailto:IERFP@sdge.com). Questions must be received by the Deadline to Submit Questions, as indicated on the RFP schedule in this solicitation. All questions and answers shall be posted at <http://www.sdge.com/procurement/2021IERFP>.

1. SDG&E’s PRG is comprised of over fifty representatives including the following organizations: the California Department of Water Resources, the California Public Utilities Commission – Energy Division, the California Public Utilities Commission – Public Advocates Office, The Utility Reform Network and the Union of Concerned Scientists. [↑](#footnote-ref-2)
2. See <http://www.thesupplierclearinghouse.com/eligibility/default.asp> for the definition of a DBE. [↑](#footnote-ref-3)