

GEOTHERMAL URBANA-CHAMPAIGN **REQUEST FOR PROPOSALS**

POINT OF CONTACT

Taylor Ball, Solar Program Manager
Midwest Renewable Energy Association
7558 Deer Rd. Custer, WI 54423
taylorb@midwestrenew.org

INTRODUCTION

The Midwest Renewable Energy Association (MREA) is seeking qualified contractors to submit proposals for the design, procurement, and installation of new residential and commercial geothermal systems at bulk prices lower than the prevailing single system market rate for new and existing building geothermal heat pump systems for the Geothermal Urbana-Champaign program.

Geothermal Urbana-Champaign (herein “the Program”) is being led by the MREA and the City of Urbana. The goal of the program is to increase consumer education and geothermal installations in Champaign County, Piatt County, and Vermilion County, Illinois, through a group purchase involving a competitive contractor selection process, an advantageous pricing and rebate structure, and free information sessions about geothermal heating and cooling.

Past Performance:

Year	Power Hours	Educated	Leads	Average Leads/PH	Systems Installed	Total Installed Tons	Average Installed Tons	Median Installed Tons
2021	17	91	51	3.0	14	60	4.3	4
2022	9	110	91	10.1	14	61	4.4	4
2023	7	112	82	11.7	11	82	7.5	4.5

This Program is offered with promotional support from the City of Urbana, Champaign County Sustainability Network, GeoExchange, Illinois Geothermal Coalition, and additional community partners. The Program will coordinate and deliver 7 to 10 free, public Geothermal Power Hour information sessions and market them widely with physical posters, email marketing, social media promotion, in the press, and more.

ABOUT THIS RFP

The intent of this Request for Proposal (RFP) is to select one proposal to provide system design and installation services for eligible participants in the Program. Proposing firms are invited to submit proposals individually or collaborate with other contractors and/or suppliers and/or drillers to submit a single, joint proposal.

As a result of this solicitation, qualified geothermal installation companies may enter into a Master Service Agreement (“Agreement”) with the MREA. The Agreement will set forth the terms and conditions under which the company will provide site assessments/estimates and design, procure, and install residential and commercial geothermal systems for Program participants.

Additionally, the MREA reserves the right to select a single or joint proposal. To make a selection, the MREA may negotiate with or solicit quotes from one or more geothermal installation companies applying under this RFP. Nothing in this solicitation process, RFP, or any contemplated or final agreement relieves any qualified vendor from complying with all laws and regulations applicable to the agreement.

QUESTIONS RELATED TO RFP

Questions, including requests for explanations of the meaning or interpretations of the provisions of the RFP, **shall be submitted by email** to the RFP Point of Contact by the time and date in the Geothermal Program Timeline chart below. Questions and answers will be posted at: <https://www.growsolar.org/request-for-proposals-rfps/> by the time and date in the Geothermal Program Timeline chart below.

PROPOSAL DUE DATE AND SUBMITTAL

Proposals must be received no later than the time and date in the Geothermal Program Timeline chart below. Proposals must be submitted to the Contact Person by email.

In order to maintain the fairness and integrity of the selection process, proposals must conform to the requirements of this RFP. All communications shall be through the RFP Point of Contact. Communications with members of the Program Advisory Committee for the purpose of unfairly influencing the outcome of this RFP may be cause for the proposal to be rejected and disqualified from further consideration.

PROGRAM ADVISORY COMMITTEE

The selection of the geothermal installation firm will be made by the Program Advisory Committee. The Committee consists of representatives from the geographic area of the program.

The Advisory Committee is responsible for selecting a proposal for design, procurement, and installation of geothermal systems for participating residential and commercial property owners (herein “property owners”). During the evaluation process, the Advisory Committee has the right to require any clarification they need in order to understand the Proposer’s approach. **The selection will not be solely low-bid, but instead will be based on a points-based rubric.** The rubric is not shared with proposing geothermal installers.

GEOHERMAL GROUP BUY TIMELINE

RFP Published	March 7, 2024
RFP Questions Due	March 12, 2024 5:00pm CST
RFP Responses to Questions Posted	March 15, 2024 5:00pm CST
RFP Proposals Due	March 22, 2024 12:00pm Noon CST
Geothermal Installer(s) Selected	March 2024
Geothermal Power Hours	March - September 2024
Site Assessments Provided to Participants	March - October 2024
Property Owner Contract Deadline	October 31, 2024 12:00 Midnight CST
All Installations Complete	February 28, 2025

PROPOSING GEOTHERMAL INSTALLER REQUIREMENTS

Proposing geothermal installers are responsible for carefully reading all the terms and conditions contained in this RFP and for following the instructions given. Proposals that do not contain all the information requested may be rejected as non-responsive.

PROPOSING GEOTHERMAL INSTALLER QUALIFICATIONS

Proposing geothermal installers must meet the minimum qualifications described in this section to participate.

Required:

1. Proposing geothermal installers must have been in the geothermal business for at least 5 years.
2. Proposing geothermal installers must have at least 50 geothermal installations completed or have provided service work and new installations combined on 50 installations.
3. Proposing geothermal installers must be, or contract with, a company that has at least one employee that is North American Technician Excellence (NATE) certified.
4. Proposing geothermal installers must be, or contract with, an International Ground Source Heat Pump Association (IGSHPA) certified loop contractor or a Geothermal Alliance of IL (GAOI) certified loop contractor.
5. Proposing geothermal installers must hold, or contract with a firm that holds, a Geothermal Alliance of Illinois (GAOI) Installation Company credential for the firm (75% of technicians hold GAOI Installation Certificate).
6. Proposing geothermal installers must have an A+ rating from the Better Business Bureau.
7. Proposing geothermal installers must have the ability to flush loops.
8. Proposing geothermal installers must respond to each section of this Request for Proposals and use the outline provided herein as a guide for formatting Proposals.
9. Proposing geothermal installers must provide a volume-based pricing structure that incentivizes participation through lower prices as the number of participants or tonnage capacity rise.
10. Abides by the GAOI Code of Ethics: <https://www.gaoi.org/membership-information/> .

Optiona, But Additional Points Awarded to Proposers that:

1. Have a principal place of business located within Champaign County, Piatt County, or Vermilion County, Illinois. A company's principal place of business is the primary location where its business is performed. This is generally where the business's books and records are kept and is often where the head of the firm – or, at least, upper management – is located.
2. Are, or have identified subcontractors with, a Minority/Women-owned Business Enterprise(s) (MWBE). MWBEs are businesses which are at least 51% owned, operated and controlled on a daily basis by women and/or one or more (in combination) of the following identifications: African American, Asian American or Pacific Islander, Latino or Hispanic American, Native American including Aleuts.

PROPOSAL SCORING & EVALUATION

The Group Buy Advisory Committee shall evaluate each proposal based on the categories outlined below. Proposal ranking will be the central evaluation in determining successful applicants and final selection. All Proposers will be notified of the outcome of the selection.

CONDITIONS AND RESERVATIONS

The MREA and the Advisory Committee are not obligated as a result of the submission of a Proposal to enter into an agreement with any proposing geothermal installers, and have no financial obligation to any proposing geothermal installers arising from this RFP. All Contracts will be executed between the residential or commercial property owners and the selected company. Residential and commercial property owners are not obligated to use the selected contractor for any services and may still choose other geothermal installers.

The contract between the property owner and the selected company will state that the MREA, its promotional partners, the Geothermal Group Buy Advisory Committee, or any other Geothermal Urbana-Champaign partners that may be added are not parties to the Contract, and that the selected company will be solely liable for any claims, losses or damages arising out of the Contract. The company will be expected to sign an Agreement with the MREA to confirm each organization's roles and responsibilities prior to work starting. The selected company and MREA shall retain and own participant and customer data resulting from the project. The selected company and MREA agree to abstain from selling or sharing participant data without permission of the participants.

Furthermore, the MREA reserves all rights regarding this RFP, including, without limitation, the right to:

- Amend, delay or cancel the RFP without liability if the team finds it is in the best interest of the project to do so. In the event it becomes necessary to amend any part of this RFP, notice will be provided in the same manner as notice of the original solicitation;
- Reject any or all Proposals received upon finding that it is in the best interest of the project to do so;
- Waive any minor informality or non-conformance with the provisions or procedures of the RFP, and seek clarification of any Proposal, if required;
- Reject any Proposal that fails substantially to comply with all prescribed RFP procedures and requirements;
- Negotiate and/or amend the Scope of Work to serve the best interest of program participants

PROGRAM PROPOSAL CONTENT

PROPOSAL FORMAT AND EVALUATION CRITERIA

Please create project proposals in 8½" x 11" document size using a minimum 12-point Calibri font. Proposals should be submitted as one PDF file in so far as is possible. If multiple files are required, one ZIP file containing the proposal folder and files shall be submitted. Proposals shall not exceed 25 pages, including any appendices and/or attachments. The sample site assessment/cost estimate and sample contract do not count toward your 25-page maximum.

Proposal Checklist:

- 1. Company Profile**
- 2. Professional Qualifications**
 - NATE certified staff members**
 - GAOI Installation Certified staff members**

- Subcontractors (if applicable)
- 3. Business Practices
 - Sample Site Assessment / Cost Estimate / Load Calculation
 - Sample Contract
- 4. Description of Equipment and Work Quality
- 5. Customer Service Capabilities
 - References
- 6. Point of Contact
- 7. Appendix (Optional)
- 8. Exhibit A
- 9. Exhibit B
- 10. Exhibit C

Provide responses to the following prompts using the section numbers/letters provided.

1. Proposing Company Profile

- A. Affirm that the company meets all the 9 required qualifications listed in this RFP.
- B. Describe the proposing company size and local organizational structure. Describe the demonstrated experience of the company in developing, designing and installing geothermal energy systems.
- C. Describe the company’s financial position, number of employees, length of time in business, install capacity, and operational resources. Include any website or marketing support your company plans to provide for this project.
- D. Explain how the company can expand quickly if necessary—and maintain quality—to meet the increased demand that may occur due to this Group Buy Program.
- E. Although installations may begin as soon as the first customer contract is signed, many systems will be contracted at the end of the program; please include an estimate of greatest capacity your company can accommodate after the deadline, i.e. how many approximately 4-ton systems can your company install between the start of the program and December 31?

2. Qualifications of the Project Team

- A. Identify key personnel in the company that will manage or perform activities for this project including their roles, experience, licenses and certificates (with corresponding numbers as appropriate). Key personnel should include at a minimum: Company Owners; Project Managers; Designers; Installers and Office Manager who will provide information to property owners per the specifications outlined in the Scope of Work (see Exhibit A). Include NATE and GAOI Certification information here. If subcontractor use is intended, identify the same for all subcontractors.

3. Business Practices

- A. Lead management practices: Describe the process for in-office management of a large volume of leads, scheduling of site assessments and installations, communication practices with leads, and processing of relevant paperwork.
- B. Please provide a sample site assessment, load calculation, and cost estimate that is representative of what program participants will receive from you as the selected installer for the program.

- C. Provide a sample customer contract tailored for use with this Group Buy Program that includes a description of your terms of payment, process, and timeline, from initial deposit to final payment. Customer contract must require no more than 50% down payment upon contract signing, with further payments due after installation of the equipment and system is energized. Customer contract must require final payment after energizing the system and the final inspection has been completed. All Contracts will be executed between the residential or commercial property owner and the selected contractor. The contract between the property owner and the selected installer will state that the MREA, program partners, and the Group Buy Advisory Committee are not parties to the Contract, and that the selected contractor will be solely liable for any claims, losses or damages arising out of the Contract.)
- D. Please describe any financing options your company provides (or partners with a lending institution to provide) to customers who intend to finance their geothermal system.
- E. Change orders: Describe how the company addresses change orders. Please provide an example of a recent change order and how it was priced, tracked, and managed.
- F. Work practices: Address the company's health and safety record and practices. Identify any communications with the Illinois Department of Labor regarding workplace issues in the last 3 years.
- G. Describe your company's familiarity with permitting fees and requirements in Champaign, Piatt, and Vermilion Counties of Illinois and the main cities therein. Securing proper permits in the relevant jurisdictions is absolutely expected.
- H. Describe your company's or your collaboration's ability to access well drilling locations on tight urban lots.
- I. Describe your company's willingness and ability to refer a participant whose site is not viable for geothermal to an air source heat pump option.

4. Work Quality

- A. Explain why the products included in your response to this RFP are appropriate for this project. Provide descriptions of warranties and post-construction support that ensure the long-term durability, operation, and maintenance of geothermal installations. Include performance and reliability figures, in addition to where the products were manufactured.
- B. Describe the installation process, including how you will minimize disruption and disturbance of neighbors, landscaping, structures, and clients' living arrangements during preparation, installation, and clean up.
- C. Describe final testing and sign-off procedures, including punch lists, inspection, and other necessary requirements.
- D. Describe how your firm makes load calculations and utilizes geothermal system design software to do this work. What design software do you use, how long have you been using them, etc. How many individuals at your firm are experienced in making load calculations and designing geothermal energy systems.

5. Customer Service

- A. Describe how you plan to handle incident reports (i.e. property damage, warranty, service calls, and inquiries). Discuss your typical response time on calls, hours of coverage for customer service calls, and process for providing status reports after an incident is logged.
- B. List any complaints received by the Better Business Bureau in the last 3 years.
- C. Describe the information you provide the property owner, including materials or manuals, customer care books, and/or support to assist them to identify and troubleshoot problems and track/evaluate the system's performance.
- D. Describe the company's approach to encourage energy efficiency aside from the geothermal installation.
- E. Describe how you plan to assist customers in securing incentives, rebates, or tax credits.

- F. Provide references from at least three recent residential installations including size, date of completion, and geographic location, with a contact name and telephone number for each. (The Group Buy Advisory Committee won't assign points, but will take into consideration their inclusion and quality of the references in addition to scoring the proposals)
- G. Proposing installer must abide by the GAOI Code of Ethics:
<https://www.gaoi.org/membership-information/>

6. Working with the MREA and Advisory Team

- A. Identify the main point of contact at the proposing company.
- B. Confirm this individual's ability to **provide regular progress reports (weekly or bi-weekly as conditions determine)** per the specifications outlined in the Scope of Work (see Exhibit A).

7. Appendix

- A. Proposers can provide an Appendix to include any supporting information, such as resumes, references or other information that will demonstrate the company is the best fit for this program. If included, the Appendix will count towards the maximum allowed length of 25 pages for the entire proposal.

8. Pricing schedule

- A. Using **Exhibit C**, Proposers should present pricing as price-per-ton of installed heating capacity for installations, exclusive of any eligible incentives or tax credits for a system installed on a typical home or business. The price is to apply to all work described in Scope of Work identified in Exhibit A.
- B. Provide per-ton pricing for each base geothermal energy system offered as a tiered structure based on the total installed capacity of all systems installed under the program. The tiered structure is to be based on four tiers as indicated in Exhibit C.
- C. Identify any potential additional costs by pricing Adders or Subtractors in Exhibit C to establish fixed costs for potential system peripherals.
- D. Include in this RFP all your anticipated costs of customer development. Customer communication, site assessments, system design and cost estimate development should be factored into the offered price. **(There is no charge for property owners to have a site assessment and cost estimate from the selected company– it all must be included in the final price in the event of a sale)**. Proposing geothermal installers must calculate any costs associated with system design and a site visit into your price-per-ton pricing in Exhibit C.
- E. An administrative fee of \$5,150 will be due from the selected company upon execution of the Agreement. A \$5,150 check should be made out to the Midwest Renewable Energy Association. The fee is designed to cover Program administration costs. In addition to the \$5,150 administrative fee, a \$100.00 per ton fee will be applied for contracted installations above 50 tons. This \$100.00/ton fee will be paid to the MREA after installations are completed. Pricing quoted in Exhibit C must be inclusive of these program fees.

EXHIBIT A SCOPE OF WORK

The selected company will provide design and installation of residential and commercial geothermal systems for property owners in Champaign County, Piatt County, and Vermilion County, of Illinois in accordance with the general scope of services outlined below. Proposers may use this outline as a guide for organizing a Scope of Work for their proposal, but are encouraged to expand upon, refine or suggest alternative approaches based on previous experiences with similar programs.

Installations provided by the company may take the form of cash purchase and/or financing. The company may offer financing or purchasers may acquire separate financing.

The purpose of this project is to enable the installation of geothermal energy systems on residential and commercial buildings in the program territory at a price lower than that typically offered by the company. The selected company will access cost efficiencies through a program which combines lowered customer acquisition costs with group purchasing and installations.

Program partners will promote and deliver educational workshops at easily accessible public locations or online as public health conditions dictate. As prospective participants are identified who wish to proceed with the process, their names and contact information will be provided to the selected company. The company's logo will not be included in presentation documents or other promotional materials. The company's representatives are encouraged to be present at the end of Geothermal Power Hours to answer questions, but will not present any information during the formal section of the presentation.

The selected company must report **weekly progress in a mutually agreeable format** to the MREA regarding campaign progress and lead status. MREA may choose to reduce this frequency if justified. Progress reports should include the following:

- Name, address, telephone number, and email as available for each sales lead
- Date for status changes of each sales lead and sum of all statuses listed below:
 - Contacted
 - Declined Site Assessment
 - Scheduled Site Assessment
 - Cost Estimate Sent
 - Contract Signed
 - Cost Estimate Declined
 - System Energized
 - Type of System (residential/commercial, single/2-stage/variable speed, loop field type, adders/subtractors, etc)
 - Capacity of System
 - Price of System
- Incremental payback
- Estimated Year 1 energy savings

The selected company will provide site assessments and system design cost estimates for each participant free of charge. Individual geothermal energy system designs should minimize impacts to the property and be installed to take into consideration the preferences of the property owner while minimizing project costs and maximizing the efficiency of the system.

The geothermal energy system installations will be carried out by the selected company in conformance with all applicable laws and codes in the resident or business utility service area.

For each participating residential or commercial property owner, the selected company(ies) will be responsible for all aspects of the geothermal installation, including but not limited to:

- Securing all required permits (typically environmental, building, and electrical permits),
- Calculating load estimates
- Assist property owners to complete and submit all incentive applications,
- Scheduling and passing all code inspections,
- Providing each property owner with information regarding energy efficiency,
- Providing each property owner appropriate documentation and guidance for applying for the federal tax credit and, where applicable, federal commercial asset depreciation tax credit,
- Providing introductions and support materials to banks, credit unions, and other interested financing entities as needed.

To ensure that participants in the Program are receiving complete and accurate site assessments and cost estimates, the MREA reserves the right to review these estimates provided to property owners as part of this program.

EXHIBIT B
PROPOSING GEOTHERMAL INSTALLER QUALIFICATION STATEMENT

Proposing Geothermal Installer Qualification Statement:

I, _____, have read the entire contents of the RFP, and certify that proposing geothermal installer has the necessary purchasing contacts, equipment, storage facilities, experience, ability and capital to furnish the proposed products in the manner described, and to perform the required work satisfactorily.

I acknowledge my company possesses the following REQUIRED certifications and qualifications:

- Proposing geothermal installers must have been in the geothermal business for at least 5 years.
- Proposing geothermal installers must have at least 50 geothermal installations completed or have provided service work and new installations combined on 50 installations.
- Proposing geothermal installers must be, or contract with, a company that has at least one employee that is North American Technician Excellence (NATE) certified.
- Proposing geothermal installers must be, or contract with, an International Ground Source Heat Pump Association (IGSHPA) certified loop contractor or a Geothermal Alliance of IL (GAOI) certified loop contractor.
- Proposing geothermal installers must hold, or contract with a firm that holds, a Geothermal Alliance of Illinois (GAOI) Installation Company credential for the firm (75% of technicians hold GAOI Installation Certificate).
- Proposing geothermal installers must have an A+ rating from the Better Business Bureau.
- Proposing geothermal installers must have the ability to flush loops.
- Proposing geothermal installers must respond to each section of this Request for Proposals and use the outline provided herein as a guide for formatting Proposals.
- Proposing geothermal installers must provide a volume-based pricing structure that incentivizes participation through lower prices as the number of participants or tonnage capacity rise.
- Abides by the GAOI Code of Ethics: <https://www.gaoi.org/membership-information/> .

I acknowledge my company possesses the following OPTIONAL certifications and qualifications:

- Principal place of business located within Champaign County, Piatt County, or Vermilion County, Illinois (not required, but worth additional points).
- Are, or have identified subcontractors with, a Minority/Women-owned Business Enterprise(s) (MWBE) (not required, but worth additional points).

Authorized Signature

Date

Title of Signatory

Company Name

FEIN

Address

City/State/Zip Code

EXHIBIT C

Baseline cost per ton price assumes:

1. Cost for installing a complete ENERGY STAR, two-stage, geothermal heat pump including a vertical loop field with minimum 150 feet of bore and three-quarter inch piping per ton.
2. Cost of complete site assessment/cost estimate for each property owner.
3. \$5,150 administrative fee which will be paid to the Geothermal Alliance of Illinois.
4. \$100.00/ton fee (after program total exceeds 50 tons). The selected company will be invoiced by MREA as systems are completed.
5. Installation of the geothermal energy system.
6. The geothermal energy system must include at least a *five-year workmanship warranty* that covers any defects in the workmanship of the installation at no charge to the property owner. The warranty must be provided by the company that installs the system.

What is NOT included in baseline price:

1. Items listed in the adders of Exhibit C.
2. Upgrades as requested by the program participant (see below).

EXHIBIT C (cont'd)

Company

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Date

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PART 1: BASELINE PRICE INFORMATION*

	EXAMPLE	Basic ENERGY STAR Certified
Baseline system as described in Exhibit C, item 1	Brand x model y type z	
Typical price pre-incentive (what you would charge for outside of the program)	\$5,000/ton	\$
Base Price, Participant Capacity <25 tons	\$4,500/ton	\$
Discount at Participant Capacity 26 to 50 tons	\$4,000/ton	\$
Discount at Participant Capacity 51 to 75 tons	\$3,800/ton	\$
Discount at Participant Capacity >76 tons	\$3,600/ton	\$

***Assumptions: 4-ton capacity, four 150 foot bores, typical water to air geothermal heat pump system, no adders, inclusive of program fees described in 8. Pricing schedule .**

PART 2: ADDERS/SUBTRACTORS SCHEDULE

Other Cost Factors	Amount of price increase or decrease (+ or -)	Notes
Electric backup heat		
Hot water assist (desuperheater)		
Special loop field conditions/ modifications (such as larger loop field, longer than usual header requirements, etc.)		
Hot water assist storage tank		
New electric hot water heater		
Additional plumbing		
Gas furnace back up with split system		
Electrical upgrade		
Ductwork upgrade		
Filter upgrade / Air Purifier option		
Humidifier		
Surge protector		
Carpentry work		
WIFI-enabled thermostats and software		
Performance monitoring		
Down flow unit		
Extended Warranty		

Larger electric heat		
Zoning system equipment		
Open Loop system		
Horizontal loop system		
Single-stage heat pump		
EER/COP upgrade 1: (more efficient 2-stage system with minimum 30 EER rating)		
EER/COP upgrade 2: (top-of-the line equipment with Inverter technology or equivalent)		
Increase/subtract for larger/smaller ton system		
Extra Loop Field Length		
Horizontal bored loop field		
Heat Pump with dedicated 100 percent on demand Hot Water capability		
Electrical service upgrade		
Variable speed flow center		
Geothermal radiant/water to water heat pump		

(Additional items may be added.)

If you would like to propose an additional pricing scheme that differs from the above format, you may do so. You MUST, however, submit pricing in the above format, and any additional pricing scheme/format is optional and will not factor into installer selection. If your proposal is selected, your alternative pricing scheme may be used upon approval.