



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

August 20, 2015

Request for Proposals #2015-006

Wood Stove and Fireplace Upgrade Incentive Program

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SECTION I – SUMMARY

In addition to amending Regulation 6, Rule 3, the Air District is developing a financial incentives program to encourage eligible Bay Area residents to upgrade to less polluting heating devices, including electric heat pumps. By upgrading residential heating devices from existing wood-burning devices that contribute to particulate matter (PM) pollution, such as fireplaces and wood stoves, pollution from wood smoke emissions will be reduced. This program will have the flexibility to focus on neighborhoods, including low-income households, that experience worsened air quality as a result of wood smoke. Overall, the program’s goal is to improve public health through a decrease in wood smoke emissions.

The incentive program will allocate primary funding by device type. In addition to allocating funding by device type, secondary funding will focus on households that are experiencing elevated problems with wood smoke, are a low-income household and/or are currently exempt and need to upgrade to a certified device as per any new amendment to the regulation. Households that are eligible for secondary funding are considered to be in a Highly-Impacted Residential Area (HIRA). Staff believes the greatest reduction in PM emissions will result from a targeted approach, utilizing both device type and HIRA, in distributing incentive funds. It should be noted that this incentive program does not assess emissions on a cost per ton of emissions reduction basis.

To respond to this Request for Proposals (RFP), an interested company should submit one (1) electronic copy (in Microsoft Office or Adobe Acrobat PDF file format) of its

proposal to:

Tina Landis, Administrative Analyst
Bay Area Air Quality Management District
939 Ellis St., San Francisco, CA 94109
tlandis@baaqmd.gov

**Proposals must be received by 4:00 p.m. August 26, 2015
Late proposals will not be considered.**

Proposals must address all information requested in this RFP. A proposal may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format. Minority business enterprises, women's business enterprises, veteran's business enterprises, and Certified Green Businesses are encouraged to submit proposals. **Any questions regarding this RFP should be directed to Tina Landis at: tlandis@baaqmd.gov by 4:00 pm, Monday, August 24, 2015.**

SECTION II – BACKGROUND

A. Air District Overview

The Bay Area Air Quality Management District (Air District) was created by the California Legislature in 1955 as the first regional agency to deal with air pollution in California. The Air District jurisdiction includes Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, southwestern Solano, and southern Sonoma counties.

The State Legislature originally gave the Air District the authority to regulate stationary sources of air pollution, such as factories, oil refineries, chemical plants, gasoline stations, and agricultural burning. With more recent legislation, the Air District was granted authority to enact certain transportation and mobile source measures.

The Air District is governed by a twenty-two member Board of Directors, consisting of elected officials, including county supervisors, mayors, and city council members. The chief executive officer of the Air District is the Air Pollution Control Officer (APCO), a position currently held by Jack Broadbent.

B. Wood Stove and Fireplace Upgrade Incentive Program

In addition to amending Regulation 6, Rule 3, the Air District is developing a financial incentives program (Program) to encourage eligible Bay Area residents to upgrade to less polluting heating devices, including electric heat pumps. By upgrading residential heating devices from existing wood-burning devices that contribute to fine particulate matter (PM) pollution, such as fireplaces and wood stoves, pollution from wood smoke emissions will be reduced. This program will have the flexibility to focus on neighborhoods, including low-income households, that experience worsened air quality as a result of wood smoke. Overall, the Program's goal is to improve public health through a decrease in wood smoke emissions.

SECTION III – INSTRUCTIONS TO BIDDERS

A. General

1. All proposals must be made in accordance with the conditions of this RFP. Failure to address any of the requirements is grounds for rejection of this proposal.
2. All information should be complete, specific, and as concise as possible.
3. Proposals should include any additional information that the respondent deems pertinent to the understanding and evaluation of the bid.
4. The District may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website, [here](#), for updates prior to the due date.
5. Proposals shall constitute firm offers. Once submitted, proposals cannot be altered without the written consent of the District, but proposals may be withdrawn.
6. The District reserves the right to reject any and all proposals.
7. The total quotation for this project should not exceed four hundred thousand dollars, (\$400,000).
8. All questions must be in written form and emailed directly to Tina Landis, Administrative Analyst, and arrive no later than 4:00 pm, Monday, August 24, 2015. All questions will be answered in writing and posted on the BAAQMD RFP webpage, [here](#), by 4:00 pm, Tuesday, August 25, 2015.
9. The cost for developing the proposal is the responsibility of the bidder, and shall not be chargeable to the Air District.

B. Submittal of Proposals

All proposals must be submitted according to the specifications set forth in Section V (A) – Contents of Proposal, and this section. Failure to adhere to these specifications may be cause for the rejection of the proposal.

1. Due Date – All proposals are due no later than 4:00 p.m., August 26, 2015, and should be directed to:

Tina Landis, Administrative Analyst
Bay Area Air Quality Management District
939 Ellis St., San Francisco, CA 94109
tlandis@baaqmd.gov

2. Proposals received after the due date and time specified in this RFP will not be considered.

3. Signature – All proposals should be signed by an authorized representative of the bidder.
4. Submittal – Submit one (1) electronic copy (in Microsoft Office or Adobe Acrobat PDF file format). Electronic submissions submitted via email will be acknowledged with a return email. Late proposals will not be accepted. Any correction or re-submission of proposals will not extend the submittal due date.
5. Grounds for Rejection – A proposal may be immediately rejected at any time if it arrives after the deadline, or is not in the prescribed format, or is not signed by an individual authorized to represent the firm.
6. Disposition of the Proposals – All responses to this RFP become property of the Air District and will be kept confidential until a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, it may mark that portion “confidential.” The District will use reasonable means to ensure that such confidential information is safeguarded, but will not be held liable for inadvertent disclosure of the information. Proposals marked “confidential” in their entirety will not be honored, and the District will not deny public disclosure of any portion of submittals so marked.

By submitting a proposal with portions marked “confidential,” a respondent represents it has a good faith belief that such portions are exempt from disclosure under the California Public Records Act and agrees to reimburse the District for, and to indemnify, defend, and hold harmless the District, its officers, employees, and agents, from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation, attorneys’ fees, expenses, and court costs of any nature whatsoever, arising from or relating to the District’s non-disclosure of any such designated portions of a proposal.

7. Modification – Once submitted, proposals, including the composition of the contracting team, cannot be altered without prior written consent of the Air District. All proposals shall constitute firm offers valid for ninety (90) days from the August 26, 2015, due date.

C. Interviews

1. The Air District, at its option, may interview bidders. The interviews will be for the purpose of clarifying the proposals.
2. Submittal of new proposal material at an interview will not be permitted.
3. Interviews may involve a presentation and/or a question-and-answer session.

SECTION IV – SCOPE OF WORK

The Contractor (including their associated installation subcontractors) will be expected to work with the Air District to ensure the success of the Program. The Program is designed to encourage residential customers to upgrade to clean burning heating technology and reduce wood smoke pollution as well as to incentivize contractors who service and install these devices as well as utilize best practices. The Program will provide residents within the jurisdiction of the Air District with rebate applications towards the purchase of approved cleaner burning heating devices and remove older wood-burning devices. Rebate applications will be distributed to customers by the Contractor and other appropriate channels of distribution including the Air District's website. In addition, various marketing opportunities may be used to promote program participation.

Web-based applications and mail-in rebate applications will allow customers to submit their complete applications, and any other required documentation for processing. The Contractor will verify eligibility, process the applications, install required devices and pay rebates. Device rebate applications may also be submitted by the Contractor, on behalf of the customer, who performed desired services and installed devices which meet efficiency standards set by the Program.

Task 1: Total Program Management

- Contractor will complete all necessary tasks involved in implementing the Program;
- Contractor will manage all subcontractor tasks in accordance with an Air District-approved policy and procedure document (Policy and Procedure Document), which shall address, at a minimum, all elements identified in Task #2 below;
- Contractor will resolve issues with subcontractors and/or customers as they arise;
- The Air District will be notified immediately with any problems encountered by the Contractor in meeting any of the outlined tasks.

Task 2: Develop Policy and Procedure Document

The Contractor shall develop a policy and procedure document in coordination with the Air District (no work shall commence without Air District approval of the Policy and Procedure Document) which shall include the following:

- Rebate processing methodology, including verification of, rebates for work completed;
- Specific criteria for resident eligibility for the Program;
- Procedure for the removal of old wood stoves and decommissioning of fireplaces as well as the new installation of an alternative form of heat to include the following devices and incentive amount:
 - heat pumps (ducted and ductless),

- natural gas/propane fueled stoves,
 - natural gas/propane fueled furnaces,
 - pellet stoves or insert, or
 - EPA-certified wood burning stove;
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- Coordinate with Air District staff on developing the incentive amount for each device type;
 - In coordination with the Air District, develop methodology for the decommissioning of a fireplace;
 - In coordination with the Air District, develop the methodology for removal and recycling of old wood stove;
 - Procedures should allow flexibility of policy and procedure for variability between households;
 - Develop necessary forms for application to the Program, including conditions and terms of receiving rebates, which is to including compliance with Air District Regulation 6, Rule 3: Wood-burning Devices;
 - Develop customer service response forms for customer feedback at time of installation/removal;
 - In coordination with the Air District, evaluate development of procedures for the repair of an existing alternative form of heat if a new alternative form of heat is not to be installed;
 - Method for development of, including training of, personnel to perform the work as specified in the policy and procedure document;
 - Marketing the Program to the public, including those in low-income areas and areas that have experienced or are experiencing problems with wood smoke (data provided by the Air District), including directing the public to qualified contractors if interested;
 - Method of inspection to ensure work is completed in accordance with the Policy and Procedure document;
 - Process to allow Air District to review fund allocation and rebate processing after specified periods (to be determined in consultation with the Air District);
 - Protocol to allow for audit by the Air District to monitor allocation of funding;
 - Verification and processing of rebates for work completed;
 - Monthly reporting of work completed (detailed below);
 - Provide a summary of work flow process from start to finish, including a specific example;
 - Quality control and fraud detection measures for ensuring accurate processing;
 - Any and all policy documents as well as other documents developed by the Contractor must be approved by the Air District and will be property of the Air District;
 - Provision acknowledging that the Air District reserves the right to modify the Policy and Procedure Document before or after implementation of the rebate program, and Contractor will, in good faith, implement any related process changes requested by the Air District at minimum additional cost.

Task 3: Implement Device Upgrade and Change-Out Rebate Program

- Launch and maintain website for Program;
- Contractor must have the capability to develop and/or already have a sufficient number of experienced subcontractors with a history of good customer service to implement the Program effectively and with minimal wait times for customers;
- Provide information and training to the subcontractors for proper Program execution;
- Contractor will be responsible for subcontractors' performance as well as level of customer service provided;
- Provide customer with a customer feedback form to ensure quality service was provided;
- Contractor shall develop a means to remove from participation in the Program any subcontractor that does not meet level of service standards at the discretion of the Air District;
- Review applications for completeness, and evaluate any special conditions to be determined in consultation with the Air District, to include the following:
 - low-income household,
 - high-wood smoke area, and/or
 - currently exempt household;
- Based on input from the Air District, have the ability to “turn on” and “turn off” applicability of incentives to specific zip codes;
- Follow up with applicants for more information to complete the applications process, as necessary, to ensure application accuracy;
- Provide assistance to English as a Second Language individuals via phone and web;
- Contractor will ensure subcontractors are meeting Program requirements including proper licenses and adequate and up-to-date insurance coverage as well as a record of good customer service;
- Initial review of household to include determination of household efficiency and if weatherization funds can be applied to rebate in addition to Program funding.

Task 4: Marketing and Customer Service

- In coordination with the Air District, develop a marketing and outreach campaign;
- Provide customer service to interested residents in the form of phone and email support as well as a FAQ list on the Contractor;
- The toll-free line, specific to the Program, must be maintained Monday through Friday by trained staff and provide business hours ensuring a high level of availability for customers as well as with automated system for off hour inquiries;
- Contractor shall develop information flyers or handouts to include the following information:

- Program description, including purpose of the program and negative health effects of wood smoke;
- Contact information for more information including a toll free phone number and email;
- Flyers are to be distributed in English and Spanish throughout the Air District's jurisdiction and in coordination with Air District staff;
- Contractor will have the flyer and all outreach material approved by the Air District prior to dissemination;
- Contractor will develop a web-based summary of the rebate process for the end user/customer to be used on the Contractor's website and/or the Air District's website;
- All outreach material will be property of the Air District.

Task 5: Perform Installation and Removal

- Contractor shall manage all necessary installations of devices as per specifications determined in coordination with the Air District and according to the Policy and Procedure Document;
- Contractor will remove old wood stoves or decommission any fireplace according to the Policy and Procedure Document;
- Contractor will ensure subcontractors will provide customer feedback and evaluation forms to public after installation/removal, to be returned to the Contractor who will summarize data for the Air District;
- The Contractor will ensure subcontractors will inform the end customer of any costs associated with installation/removal prior to commencement of work;
- Contractor will coordinate and handle any required building permits and ensure work is done to comply with all current state and local building codes and/or any other legal requirements.

Task 6: Rebate Processing

- Rebate processing methodology will be developed in consultation with the Air District with process detailed identified in the Policy and Procedure Document;
- Contractor is responsible for all aspects of rebate processing, including but not limited to: receiving the incentive applications, ensuring accuracy of information on the application (such as low-income, exemption status and/or high wood smoke area), processing the application and rebates, and processing any IRS requirements associated with issued rebates;
- Verification of device installation and change-out will be documented as per the Policy and Procedure Document;
- Contractor will maintain and organize relevant records to provide to the Air District on a monthly basis or when requested, including but not limited to the number of device installations, financial data for the rebates process,

unprocessed rebates as well as reason for rebate not processed, and maintain a record of rebates issued and installation details;

- Contractor will process check issuance to subcontractor.

Task 7: Quality Control Inspection

- Contractor shall follow-up installation of subcontractor with Contractor personnel to ensure proper installation, quality of workmanship and customer satisfaction;
- Any work found to be deficient shall be corrected prior to release of rebate funds;
- Rebate funds will be released to subcontractor only after authorization from customer indicating work is completed to customer's satisfaction;
- Any dispute between the Contractor and a customer shall be resolved between the Contractor and the customer without involvement of the Air District and without any additional fees imposed by the Contractor;
- Follow-up inspection will include but not be limited to the following: level of customer service provided, device properly sized and installed correctly and to proper code, old device removed or decommissioned appropriately, and clean-up the work area.

Task 8: Administrative Requirements

- Contractor is solely responsible for invoicing of subcontractors for work completed;
- Invoicing of subcontractors should be processed at least on a monthly basis;
- Contractor will invoice the Air District monthly for work completed in accordance with the Policy and Procedure Document;
- Contractor will provide at least monthly progress reports to the Air District on the status of the Program to include but not limited to:
 - Follow-up inspection results;
 - Results of customer satisfaction surveys;
 - Number of units installed and type of device installed;
 - Number of removed units and decommissioned fireplaces;
 - Contractor will provide the Air District with monthly progress reports including, but not limited to the following:
 - Number of rebates received,
 - Number of rebates processed,
 - Number of and types of devices installed,
 - Number of rebates that are waiting to be processed because of incomplete or erroneous information,
 - Administrative costs broken out by category to include installation costs, rebate processing, and marketing and outreach,
 - Summary/description of subcontractors used, marketing efforts, handling of consumer inquiries, rebate processing, fraud

prevention, and verification activities, and any problems that should be brought to the attention of the Air District,

- Rebate checks that have never been cashed, and
- Any additional criteria determined by the Air District.

Contractor Qualifications

- Experience and expertise in project management of large scale weatherization and energy rebate programs, including management of a large scale installation of heating systems/devices;
- Experience and expertise to implement an online rebate system, as well as receive paper applications, to receive and process applications for a rebate incentive program;
- Experience and expertise in management of databases used in tracking a rebate program as well as providing detailed and up-to-date reports on the status of a rebate implementation program;
- Experience and expertise in developing policy and procedure documents for customers;
- Experience and expertise in managing subcontractors in weatherization and energy savings programs;
- Experience in working with and for government agencies;
- Experience and ability in implementing fraud detection;
- A history of providing a high level of customer service;
- Experience with the Bay Area market is preferred.

SECTION V – PROPOSAL FORMAT, CONTENT, AND SUBMITTAL

A. Contents of Proposal

Submitted proposals must follow the format outlined below and include all requested information. Failure to submit proposals in the required format can result in the proposal being eliminated from evaluation and consideration.

1. Technical Proposal

- a. Cover Letter (Section I) – Must include the name, address, and telephone number of the company, and must be signed by the person(s) authorized to represent the firm.
- b. Firm Contact Information – Provide the following information about the firm:
 - Address and telephone number of office nearest to San Francisco, California and the address and phone number of the office that each of the proposed staff members are based out of if different.
 - Name of firm’s representative designated as the contact and email

- address
 - Name of project manager, if different from the individual designated as the contact
- c. Table of Contents – Clearly identify material contained in the proposal by section
- d. Summary (Section II) – State overall approach to Wood Stove and Fireplace Upgrade Incentive Program, including the objectives and scope of work.
- e. Program Schedule (Section III) – Provide projected milestones or benchmarks for completing the project within the total time allowed.
- f. Firm Organization (Section IV) – Provide a statement of your firm’s background and related experience in providing similar services to governmental organizations, if any. Describe the technical capabilities of the firm and, in particular, the firm’s exposure with working with environmental regulations, if any. Provide references of other, similar projects including contact name, title, and telephone number for all references listed.
- g. Project Organization (Section V) – Describe the proposed management structure, program monitoring procedures, and organization of the engagement team. Provide a statement detailing your approach to the project, specifically addressing the firm’s ability and willingness to commit and maintain staffing to successfully conclude the project on the proposed schedule.
- h. Assigned Personnel (Section VI) – Provide the following information about the staff to be assigned to the project:
- List all key personnel assigned to the project by level and name. Provide a description of their background, along with a summary of their experience in providing similar services for governmental agencies, and any specialized expertise they may have. Background descriptions can be a resume, CV, or summary sheet. Substitution of project manager or staff will not be permitted without prior written approval of the Air District.
 - Provide a statement of the availability of staff in any local office with requisite qualifications and experience to conduct the requested project.
 - Provide a statement of education and training programs provided to, or required of, the staff identified for participation in the project. Make particular mention of with reference to experience dealing with governmental agencies, procedures, and environmental regulations.
- i. Retention of Working Papers (Section VII) – All working papers are the property of the Air District. Include a statement acknowledging that if your

firm is awarded the contract, you will retain project related papers and related reports for a minimum of five (5) years.

- j. Subcontractors (Section VIII) – List any subcontractors that will be used, the work to be performed by them, and the total number of hours or percentage of time they will spend on the contract.
- k. Conflict of Interest (Section IX) – Address possible conflicts of interest with other clients affected by contractors' actions performed by the firm on behalf of the Air District. The Air District recognizes that prospective bidders may have contracts to perform similar services for other clients. Include a complete list of such clients for the past three (3) years with the type of work performed and the total number of years performing such tasks for each client. The Air District reserves the right to consider the nature and extent of such work in evaluating the proposal.
- l. Additional Data (Section X) – Provide other essential data that may assist in the evaluation of the proposal (e.g. green business certification, etc.)

2. Cost Proposal

- a. Name and Address – The Cost Proposal must have the name and complete address of the bidder in the upper, left hand corner.
- b. Cost Proposal – The Cost Proposal must list the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. In addition, costs should be estimated for each of the components of the Scope of Work.
- c. The Cost Proposal does not need to be a separate document.

SECTION VI – PROPOSAL EVALUATION

A panel of Air District staff will evaluate all proposals. The panel will recommend the selection of the Contractor to the Air Pollution Control Officer (APCO), who will, in turn, make a recommendation to the Air District Board of Directors. The Air District Board of Directors must approve the contract to carry out the work described in this RFP. A link to an example of a typical contract for professional services used by the Air District is included in Section VII of this RFP.

Proposals will be evaluated on the following criteria:

Expertise	Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm's ability to perform and complete the work in a professional and timely manner.*	25%
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Skill	Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	25%
Approach	Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	10%
Cost	Cost or cost effectiveness and resource allocation strategy	5%
References	References of the firm	15%
Firm's Specialty Focus Area	Local business/Green Business	5%
Available Resources/Customer Relations	Speed and thoroughness of responding to inquiries, requests and number of days. Ability to provide full-time foreign language assistance to prospective participants.	10%
Advertising	Proposed plan to target customers. The advertising plan will be evaluated for effectiveness and the ability to reach as many prospective customers in the Bay Area as possible.	5%
	Total	100%

* "Size and structure of firm" refers to the ability of a firm's size to meet the needs of the District. It does not give absolute preference to larger or smaller firms.

The Air District reserves the right to reject any and all proposals submitted and/or request additional information. During the selection process, the Air District's evaluation panel may interview bidders. The interviews will be for clarification only. The submittal of new material will not be permitted at that time. Interviews may involve a presentation and/or a question-and-answer format or any combination of these.

If two or more proposals receive the same number of points, the Air District will accept the lower cost offer.

SECTION VII – SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on the District's website, [here](#).