

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

March 22, 2019

Larry Salguero
Engie Development, LLC
1990 Post Oak Boulevard STE. 1900
Houston, TX 77056

Re: RFQ# 1044673, Implementation Scenarios for Metro's DES Program Options

Dear Mr. Salguero:

The Metropolitan Government of Nashville and Davidson County (Metro) has completed the evaluation of submitted solicitation offer(s) to the above RFQ # 1044673 for Implementation Scenarios for Metro's DES Program Options. This letter hereby notifies you of Metro's intent to award to Engie Development, LLC, contingent upon successful contract negotiations.

Depending on the file sizes, the responses to the procurement solicitation and supporting award documentation can be made available either by email, CD for pickup, or in person for inspection. If you desire to receive or review the documentation or have any questions, please contact Genario Pittman by email at genario.pittman@nashville.gov Monday through Friday between 8:30am and 3:30pm.

Thank you for participating in Metro's competitive procurement process.

Sincerely,

A handwritten signature in blue ink, reading "Michelle A. Hernandez Lane".

Michelle A. Hernandez Lane
Purchasing Agent

Cc: Solicitation File
Other Offerors

Pursuant to M.C.L. 4.36.010 Authority to resolve protested solicitations and awards.

A. Right to Protest. Any actual or prospective bidder, offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Purchasing Agent. The protest shall be submitted in writing within ten (10) days after such aggrieved person knows or should have known of the facts giving rise thereto.

Procurement Division

730 Second Avenue South, Suite 112
P.O. Box 196300
Nashville, Tennessee 37219-6300

www.Nashville.gov
Phone: 615-862-6180
Fax: 615-862-6179

RFQ# 1044673 - Implementation Scenarios for Metro's DES Program Options- Round 1

	Constellation New Energy Inc.	Corix Infrastructure (US) Inc.	DCO Energy, LLC	District Energy St. Paul/Ever-Green Energy	Duke Energy One	ENGIE Development, LLC	Enwave USA	Mas Energy, LLC	Veolia North America, Inc.
Evaluation Criteria (Max Points)									
Executive Summary (20 Points)	16	17	10	12	6	20	18	10	14
Corporate Profile (20 Points)	15	19	10	12	8	20	18	10	14
Demonstrated Team Experience (30 Points)	26	27	15	20	5	28	28	14	22
Financial Capacity (30 Points)	22.5	15	12	12	27	22.5	18	0	21
Round 1 Total (100 Points)	79.50	78.00	47.00	56.00	46.00	90.50	82.00	34.00	71.00

RFQ# 1044673 - Implementation Scenarios for Metro's DES Program Options- Round 2

	Constellation New Energy Inc.	Corix Infrastructure (US) Inc.	DCO Energy, LLC	District Energy St. Paul/Ever-Green Energy	Duke Energy One	ENGIE Development, LLC	Enwave USA	Mas Energy, LLC	Veolia North America, Inc.
Evaluation Criteria (Max Points)									
Transition Plan (20 Points)	20	Did not submit a proposal for round 2.	Did not advance to round 2.	Did not advance to round 2.	Did not advance to round 2.	20.00	17	Did not advance to round 2.	19.00
Metro DES Growth (15 Points)	13	Did not submit a proposal for round 2.	Did not advance to round 2.	Did not advance to round 2.	Did not advance to round 2.	14.00	15	Did not advance to round 2.	10.00
Customer Transition and Initial System Customer Approvals (15 Points)	13	Did not submit a proposal for round 2.	Did not advance to round 2.	Did not advance to round 2.	Did not advance to round 2.	13.00	13	Did not advance to round 2.	10.00
Financial Offer for Operations and/or Purchase (50 Points)	40	Did not submit a proposal for round 2.	Did not advance to round 2.	Did not advance to round 2.	Did not advance to round 2.	36.00	44	Did not advance to round 2.	0.00
Round 2 Total (100 Points)	86.00	0	Did not advance to round 2.	Did not advance to round 2.	Did not advance to round 2.	83.00	89.00	Did not advance to round 2.	39.00
Cumulative Total Scores (Rounds 1-2)	165.50	78.00	0.00	0.00	0.00	173.50	171.00	0.00	110.00

Strengths & Weaknesses
Constellation New Energy Inc. (165.50 Points)

Strengths: Firm provided a detailed demonstration of their technical capacity. Firm provided a detailed demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability. Firm provided a detailed description of their background and profile. Firm provided a detailed description of relevant past projects. Firm provided a detailed summary of operating experience focused on rate design. (Rd2)- Firm provided a detailed transition plan.

Weaknesses: Firm's testimonial as to why their firm should be short-listed for the project lacked specific details. Firm's summary demonstrating their key features showing an understanding of the requirements lacked specific details. Firm's description of DES's operated and numbers of customers served by those systems as well as involvement in local government transitions from public to private lacked specific details. Firm's resumes of key personnel lacked specific details. Firm's description of relevant experience lacked specific details. Firm's references of current district energy clients lacked specific details. Firm has 76% leverage, which is high relative to other Offerors. (Rd2)- Firm's outreach and communication plan with educational institutions in accordance with Metro's over-arching objectives lacked specific details. Firm's plan illuminating targeted system growth areas lacked specific details. Firm's approach to customer transitions in relation to customer relations lacked specific details. Firm's explanation of previous experience with transitioning local government customers to a new system lacked specific details. Firm took exceptions to O&M Agreement.

Corix Infrastructure (US) Inc. (78.00 Points)

Strengths: Firm provided a detailed demonstration of their technical capacity. Firm provided a detailed demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability. Firm provided a detailed description of their firm's background and profile including their corporate mission, vision, values, and number of years in business. Firm provided a detailed description of relevant past projects.

Weaknesses: Failed to provide a brief testimonial as to why their firm should be short-listed for the project. Firm failed to demonstrate their background in local government transitions from public to private system operations. Firm has 87% leverage, which is high relative to other Offerors. Firm has an interest expense coverage ratio of 0.8, which is low relative to other Offerors.

DCO Energy, LLC. (47.00 Points)

Strengths: N/A

Weaknesses: Firm's demonstration of their technical capacity lacked specific details. Firm's demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability lacked specific details. Firm's description of their back ground and profile lacked specific details. Firm's description of their numbers of DES's operated and/or owned and the number of customers served by the systems lacked specific details. Firm's description of their skills, experience, and ideas to address Metro's over-arching objectives for this project lacked specific details. Firm's description of their background and profile including their corporate mission, vision, values, and number of years in business lacked specific details. Firm's resumes of key personnel lacked specific details. Firm failed to provide past relevant projects. Firm failed to provide relevant experience. Firm failed to provide familiarity with Metro and the local planning and energy context. Firm has an interest expense coverage ratio of -1.7, which is low relative to other Offerors.

District Energy St. Paul/Ever Green Energy (56.00 Points)

Strength: Firm provided a detailed description of relevant past projects.

Weaknesses: Firm's testimonial as to why their firm should be short-listed for the project lacked specific details. Firm's demonstration of their technical approach and financial capacity to operate the district energy infrastructure lacked specific details. Firm's resumes of key personnel lacked specific details. Firm failed to provide familiarity with Metro and the local planning and energy context. Firm's summary of operating experience focused on district energy systems lacked specific details. Firm's relevant experience with projects of similar type and size lacked specific details. Firm failed to provide specific requested sections for financial capacity.

Duke Energy One (46.00 Points)

Strength: Firm's revenues and total assets are high relative to other Offerors.

Weaknesses: Firm demonstrated that they do not have the requisite experience necessary to operate the district energy infrastructure. Failed to provide a brief testimonial as to why their firm should be short-listed for the project. Firm failed to provide a description of their skills, experience, and ideas to address Metro's over-arching objectives for this project. Firm failed to provide resumes of key personnel of the proposed operating team. Firm failed to provide the numbers of DES's operated and/or owned and numbers of customers served by those systems. Firm failed to provide relevant past projects for operating district energy systems. Firm failed to provide relevant experience including current district energy clients or major customer references.

Engie Development, LLC (173.50 Points) Purchase Offer

Strengths: Firm provided a detailed demonstration of their technical and financial capacity. Firm provided a detailed demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability. Firm provided a detailed brief testimonial as to why their firm should be short-listed for the project. Firm provided a detailed description of their firm's background and profile including their corporate mission, vision, values, and number of years in business. Firm provided detailed resumes of key personnel of their proposed team. Firm provided detailed relevant past projects. Firm provided a detailed description of relevant experience. Firm provided detailed references of current district energy clients. Firm has a gross margin of 30%, which is high relative to other Offerors. (Rd2)- Firm provided a detailed transition plan. The purchase offer is promising for Metro and falls within the higher estimated sale price range established as a result of the financial analysis of the Metro District Energy System (Metro DES) and industry experience. A sale of Metro DES at the higher estimated sale price range would free bonding capacity for Metro, and Metro would no longer be required to provide funds for the operations of the Metro District Energy System.

Weaknesses: Firm's explanation of their familiarity with Metro and the local planning and energy context lacked specific details. Firm has 71% leverage, which is high relative to other Offerors. Firm has an interest expense coverage ratio of 1.8, which is low relative to other Offerors. (Rd2)- Firm's demonstration of knowledge of Metro agencies and other resources available for coordination and planning, and strategic initiatives aimed toward system growth lacked specific details. Firm's explanation of experience with reaching out to and engaging with customers to ensure their support lacked specific details. Firm's approach to customer engagement during acquisitions lacked specific details. Firm took exceptions to Purchase Agreement.

Enwave USA (171.00 Points)

Strengths: Firm provided a detailed brief testimonial as to why their firm should be short-listed for the project. Firm provided a detailed description of their skills, experience, and ideas to address Metro's over-arching objectives for this project. Firm provided a detailed description of relevant past projects. Firm provided a detailed description of relevant experience. Firm provided detailed references of current district energy clients. Firm has a gross margin of 67%, which is high relative to other Offerors. (Rd2)- Firm provided a detailed Metro DES Growth plan. Firm provided a detailed process for reaching out and engaging with customers to ensure their support.

Weaknesses: Firm's demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability lacked specific details. Firm's explanation of their familiarity with Metro and the local planning and energy context lacked specific details. Firm has 71% leverage, which is high relative to other Offerors. (Rd2)- Firm's transition plan for communicating with Metro and regulatory agencies lacked specific details. Firm's transition plan for transferring manuals, records, and equipment lacked specific details. Firm's transition plan for permit transfer and applications lacked specific details. Firm's explanation of previous experience with transitioning local government customers to a new system lacked specific details. Firm's approach to customer transitions related to staffing lacked specific details. Firm took exceptions to O&M Agreement.

Mas Energy, LLC (34.00 Points)

Strength: Firm provided detailed resumes for key personnel of the proposed team.

Weaknesses: Firm's demonstration of their technical and financial capacity lacked specific details. Failed to provide a demonstration of the firm's ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability. Firm's description of their skills, experience, and ideas for Metro's over-arching objectives for this project lacked specific details. Firm's description of their background and profile including their corporate mission, vision, values, and number of years in business lacked specific details. Firm's description of their numbers of DES's operated and/or owned and numbers of customers served by those systems lacked specific details. Failed to provide relevant past projects. Firm's description of their relevant experience lacked specific details. Firm failed to provide an explanation of their familiarity with Metro and the local planning and energy context. Firm did not provide financial statements for financial capacity (proposed non-recourse financing).

Veolia North America, Inc. (110.00 Points)

Strengths: Firm provided a detailed demonstration of their ability to deliver cost-effective service to customers while achieving high levels of environmental performance and reliability. Firm provided a detailed description of their numbers of DES's operated and/or owned and numbers of customers served by those systems. Firm shows no debt for financial capacity. (Rd2)- Firm provided a detailed transition plan associated with communicating with Metro and communicating with existing operations and management personnel.

Weaknesses: Firm's brief testimonial as to why they should be short-listed for the project lacked specific details. Firm's demonstration of their technical and financial capacity lacked specific details. Firm failed to provide resumes for key personnel. Firm's description of their background and profile including their corporate mission, vision, values, and number of years in business lacked specific details. Firm's description of experience financing and/or operating district energy systems of similar type and size lacked specific details. Firm failed to provide an explanation of their familiarity with Metro and the local planning and energy context. Firm has a gross margin of 8%, which is low relative to other Offerors. (Rd2)- Firm's transition plan associated with customer relations lacked specific details. Firm's plan for engaging with educational institutions for the purposes of collaboration and innovation lacked specific details. Firm's demonstration of knowledge of Metro agencies and other resources available for coordinating, planning, and providing strategic initiatives aimed toward system growth lacked specific details. Firm's process for reaching out to and engaging with customers to ensure their support lacked specific details. Firm failed to provide previous experience with transitioning local government customers to a new system operator. Firm took exceptions to O&M Agreement.

**Financial Offer for Operations
and/or Purchase**

				Constellation	ENGIE	Veolia North	Enwave
For Offerors seeking the role of Buyer:							
Purchase Price				\$ -	\$ 60,000,000	\$ -	\$ -
Rating	Description						
0	Under Net Debt of 1 Point Assigned per Each \$300,000 Increment Over Net Debt with a Maximum of 50 Points	\$	48,462,286		38		
Payment Terms							
Rating	Description						
-0	No Payment Terms						
	Contingencies Stipulated or Improvements/Exceptions Taken				-2		
-2	to Asset Purchase Agreement						
Total Rating (out of 50 possible)				0	36	0	0
For Offerors seeking the role of Operations Partner:							
Fixed Operation and Maintenance Component (FOC)				\$ 3,597,306	\$ -	\$ 4,522,000	\$ 3,522,501
Rating	Description						
0	Over Fiscal Year (FY) 2017 FOC of 2 Points Assigned per Each Percentage Point Increment Under FY 2017 FOC with Maximum of 50 Points	\$	4,559,268	42		2	46
Payment Terms							
Rating	Description						
-0	No Payment Terms						
	Contingencies Stipulated or Improvements/Exceptions Taken			-2		-2	-2
-2	to O&M Agreement						
Total Rating (out of 50 possible)				40	0	0	44

Solicitation Title & Number		RFP Cost Points	Total Cost Points
Implementation Scenarios for Metro's DES Program Options; RFQ# 1044673		50	50
Purchase Offer			
Offeror's Name	Total Bid Amount	RFP Cost Points	Total Cost Points
Engie Development, LLC	\$60,000,000.00	36.00	36.00
Operations and Management Offers			
Offeror's Name	Total Bid Amount	RFP Cost Points	Total Cost Points
Enwave USA	\$3,522,501.00	44.00	44.00
Constellation New Energy Inc.	\$3,597,306.00	40.00	40.00
Veolia North America, Inc.	\$4,522,000.00	0.00	0.00

Awarded