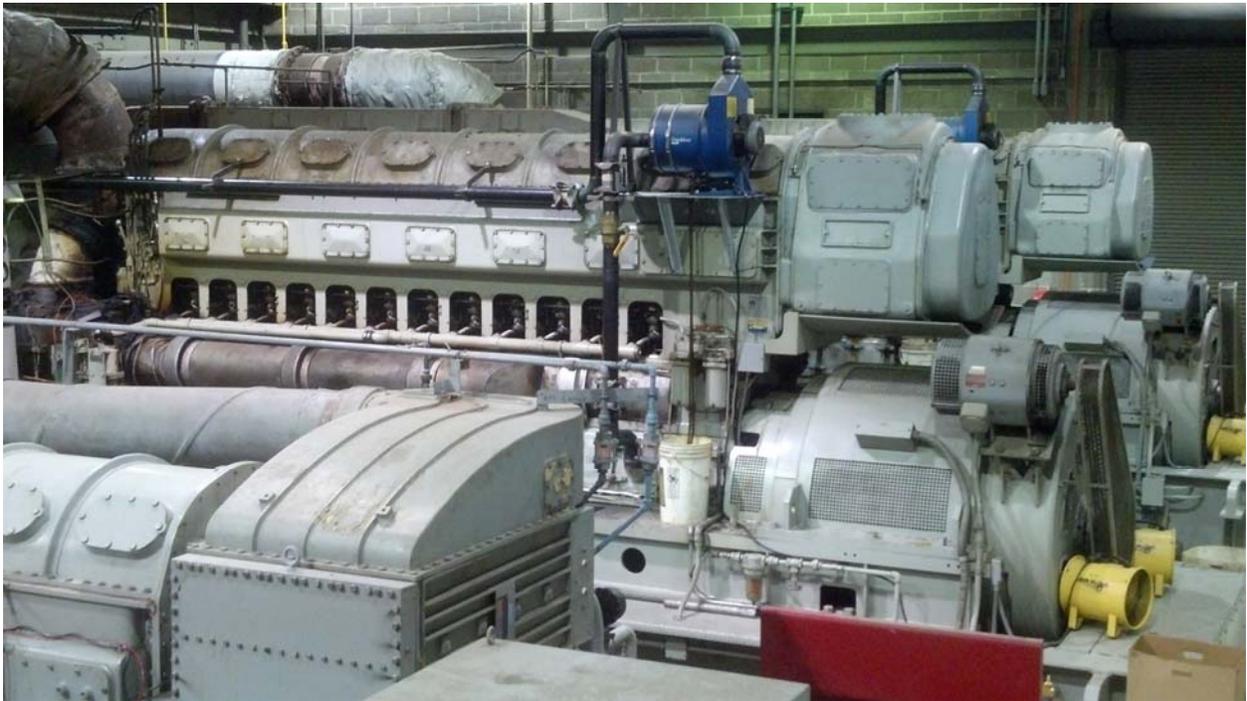


# **THE BOROUGH OF CHAMBERSBURG**

## **REQUEST FOR PROPOSALS FOR PROJECT DEVELOPMENT PARTNER & CONSULTING ENGINEERING SERVICES**



**July 5, 2019**

# **ELECTRIC GENERATION DEVELOPMENT PROJECT**

## **SECTION I: INTRODUCTION**

### **Summary of Project History and Objectives**

#### **I. Purpose**

The Borough of Chambersburg is seeking a project partner capable of providing the following innovative professional services either solely or through a development team approach:

1. Evaluate existing Borough-owned dual fuel natural gas/diesel generation assets for their physical condition, long-term capital needs, and any deviation from their current business model to optimize contributions to financial goals and purposes.
2. Evaluate expansion, replacement, upgrade, or enhancements to existing Borough-owned dual fuel natural gas/diesel electricity generating assets to determine the most effective utilization of Borough resources available to achieve the most advantageous and prudent impact to the Borough's commitment to own or host generation in its power portfolio.
3. Provide a simple pro forma business model indicating the benefit of generation to the Borough's wholesale power portfolio. Assist the Borough's power team with an adjacent Investor-Owned Utility (IOU) for any amendments to interconnection agreements needed.
4. Engineering and design of new or upgraded facilities. The Borough will provide substation engineering, civil site engineering, and layout under separate arrangements.
5. Management of the construction and installation of new or upgraded facilities.
6. Assist in obtaining all Federal and State permits required including but not limited to Pennsylvania Department of Environmental Protection, Federal Energy Regulatory Commission, and the PJM Interconnection.
7. Post-construction inspection and certification, provision of maintenance and operation schedules, and market monitoring to insure the correct integration of new or upgraded facilities into the wholesale power marketplace as may be needed.

#### **II. Historical Background**

The Borough of Chambersburg is one of thirty-five Borough-owned public power systems in the Commonwealth of Pennsylvania. Chambersburg is the largest of the thirty-five and the only one to own and operate PJM network generation assets. Chambersburg is the only municipality in Pennsylvania to operate a public power system as well as a municipal natural gas utility. The synergy created by this combination provides significant benefits to the Borough's utility customers.

Chambersburg operates the largest Borough budget in Pennsylvania as a result of its utilities. Chambersburg Borough also operates a water, sanitary sewer, storm sewer, and trash utility. These utilities are operated by the Borough itself, not through an independent Board or Authority. All utilities are supervised by the Borough Manager and under the policy and rate making control of the elected Borough Council.

Community leaders formed public power utilities like Chambersburg starting in the early 1880's. At its heart, public power is an expression of the American ideal of local people working together to meet

local needs. The Chambersburg public power utility, now called the “Electric Department,” was established in 1893 with its own generation and downtown lighting systems for its streets, homes, and businesses, like many hundreds of small towns across America at the time. Motivated by the many benefits of local ownership and control, Chambersburg has owned and operated its own generation resources for all or part of its customer load since the Department was conceived in the late 19th century. To this day, Chambersburg is the only Municipal electric supplier in Pennsylvania to still own and operate its own network resource generation assets.

In 1904, after only approximately 11 years of operation, a large utility outside of Chambersburg attempted to take over the Electric Light Plant. Several unselfish and courageous people named on the “Park of The Valiant” dedication plaque “in the face of powerful opposition and public criticism prevented the sale of the Borough’s Municipal Electric Light Plant and preserved for the community that which has proven to be its most valuable financial asset.”

The first generating plant built in the Borough was called the “Electric Light Plant” because it was primarily used originally to replace oil and gas lighting on streets, in homes, businesses, and industries. The original Electric Light Plant is still part of (south side) the existing brick plant and was remodeled in 1922, expanded, improved, and capacity additions made in 1930 and again in 1939. The original facility, still located at 160 N. Second Street, with one tall brick stack on the original south side (now inside), was expanded to its present day size with the further addition of brick facility space, power equipment, and another tall brick stack to the north in about 1953. The expanded Electric Light coal-fired steam plant operated almost continuously until it was retired in about 1975.

In 1968, the Falling Spring Generating Station (FSGS) was built on the Grant Street side of the same property using two Fairbanks Morse (FM) engine/generator sets to generate approximately 4.2 MW of the Borough’s power during peak consumption times. Later, in 1999, a third and larger FM unit was added bringing the total generation at the newer facility to about 7 MW. This location is considered to be eligible for the potential upgrade through this Project and among other potential locations.

In January 2004, The Orchard Park Generating Station (OPGS) consisting of four Wartsila engine/generators began commercial operation and totals 23 MW of peak power generation. The two newest generating plants are used to lower the total cost of annual power purchases in Chambersburg.

Through the late 1990s and further in the early 2000s, Federal and State laws changed to allow Chambersburg to “shop” for all of its customer power needs in the newly formed “competitive markets.” Inside the Borough, the Electric Department provides electric for approximately 11,150 customers. Since these markets have been restructured and after the hard lessons of learning how to proactively shop for “future” power, the power purchasing team has learned that purchasing wholesale priced power out into the future does have significant cost-averaging and price-lowering advantages for the Borough residents. Fortunately, this “Portfolio of Energy Products” approach, which is purchasing many blocks of power from numerous suppliers, over many differing lengths of time and prices, took full-effect January 1, 2013 and signals a time of relatively stable electric rates in Chambersburg not seen since before 2002.

Also in January 2013, the PPL Renewable landfill gas to power project began commercial operation supplying the ultimate sustainable source of power to the Borough which is from our own trash. PPL entered into agreement with the Blue Ridge Landfill for the methane gas and a separate arrangement with Chambersburg to purchase all of the power. As a result of this National (EPA) and State (DEP) award winning project, while acting voluntarily to protect the environment, Chambersburg leaped from

about 2-3% renewable power up to over 17%, leading change in the State's electric utility industry. Although Chambersburg is not under this particular law, the Pennsylvania Renewable Portfolio Standard requires the State to source about 18% of its electricity from renewable sources by 2020.

Chambersburg will continue to generate and deliver reasonably priced and world-class reliable power to its residents according to the long term plan. The plan includes mostly future power market products, but also the viable Borough-owned generation and a financially optimized level of other renewable power sources such as roof top solar, wind, and perhaps bio-mass as or if they become viable in this area.

The Borough's long-standing single power supply agreement with its previous energy provider expired on December 31, 2012 and the Electric Department has since entered into many new lower cost wholesale power supply agreements continuing to evaluate market pricing up to twice per year for acquiring new advantageous short, medium, and long term power purchase agreements. Wholesale energy prices have remained quite favorable for about 10 years now, with no immediate end in sight. In light of the market turbulence since the beginning, Chambersburg's Power team which includes consultants as well as Borough management and staff developed a Power Supply Master Plan, adopted on May 14, 2012 which includes a systematic approach for new purchasing opportunities as well as management of its existing and any proposed new generation assets.

The Borough has been filling various yet strategic blocks of power since the inception of the Power Supply Master Plan. The portfolio presently consists of purchasing from market power supply providers approximately 325 Million kWh per year and the Borough currently sells all of its present generation fleet supply (approx. 30 MW) to the largest electrical grid in the world, PJM, LLC.

The Borough is interested in developing an updated, safe, reliable, and sustainably low-cost energy procurement, generation, and emergency response strategy.

### **III. Project Goal**

The Borough of Chambersburg is soliciting proposals from selected development partners for the delivery of basic evaluative financial, consulting, and/or engineering services for an optimum project selection, placement (location) layouts, design, bid phase services, equipment procurement, interconnection, and startup of respondent-selected generation facility additions and/or improvements.

Your firm's experience, working with municipalities that have public power systems to evaluate and install/upgrade fixed generation assets, is the criteria upon which your selection as a development partner will be made.

### **IV. Power Team**

The Borough of Chambersburg Electric Department follows policies, procedures, rates, and decisions made directly by the 10 elected members of the Chambersburg Borough Council. There is no separate Authority or Utility Committee. In turn, operational decisions are made by the management team headed by the Borough Manager/Director of Utilities, the Electric Department Superintendent and his Assistant Superintendent. Finally, wholesale electricity decisions are recommended by the Power Team, which includes the management team, legal support of the Borough Solicitor, a designated member of Borough Council, and those additional consultants/advisors necessary to develop a wholesale power portfolio for the needs of the Borough of Chambersburg, which are then presented to, and adopted by the full Borough Council.

This project will be under the supervision of the Power Team, with all recommendations presented by the team to the full Borough Council for legal approval.

## **V. Current Wholesale Power Portfolio**

The BOC for decades and presently has a “buy all, sell all” arrangement whereby the BOC buys all of its power supplies from various market participants and sells all of its Borough-owned generation to the appropriate PJM markets. The BOC had a single energy and capacity provider prior to competition coming to the wholesale electric power markets. Since the early days of competition, Chambersburg has begun to optimize a portfolio of energy products which, until now has been essentially a variation of power block sizes, term lengths, and prices. By building a portfolio of energy supplies, Chambersburg has been successful in stabilizing costs of service and therefore its electric rates to the end use customers.

The Borough implemented a power purchase portfolio team approach to maximize synergies between financial, legal, technical, management, and long term planning with power supply optimization perspectives. Using multiple technologies and wholesale power supply the Borough can sustain low rates with reliable power delivery. The Power team has made short, medium, and long term recommendations for the Borough Council to consider in its implementation strategies.

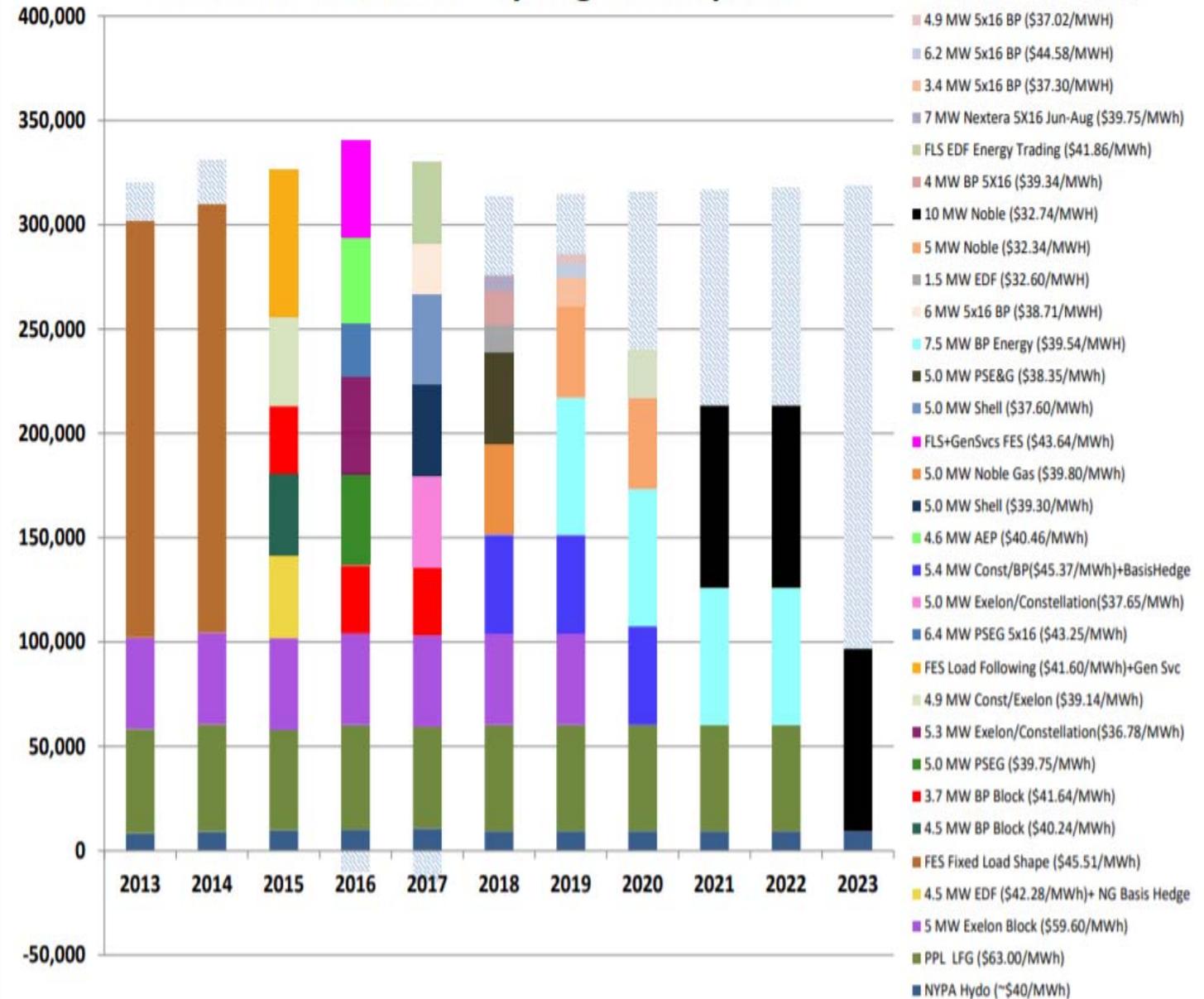
The complexity of the Borough’s inter-utility systems and decision making has made this next step a request for outside help in establishing the next “best step” forward in all forms of resource planning. In recent years the Power team approach has developed a sustainable method of filling various needs for power supplies, hourly load profiles, seasonal capacities, efficiency, generation mix, fuel mix and diversity, firm and interruptible fuel supplies, economics, and emergency restoration, etc. With the significant generation and transmission discussions and debates being held at the PJM, LLC the BOC direction is shifting its view toward more flexible, interrelated, inter-utility projects yielding the most holistic and comprehensive cost-efficiency benefits to all Borough residents.

Through learning, Chambersburg has come to believe that a well thought out and complete set of traditional, renewable power supplies, and Borough-owned generation assets is the best long term solution to supplying power to its retail customers. The world of power suppliers look for the “silver bullet” of power supply technology, one that will solve all of our generation, interconnection, transmission and locational problems. Chambersburg believes that the best wholesale power supply is likely made up of many of the most varied forms of proven power generation technologies, managed load growth concepts, clean natural gas, renewable energies (hydro, solar, wind) and by coupling supply-side with demand-side programs and technologies (DSM, Battery Storage) etc.

What follows is the most recent Power Purchase Agreement (PPA) summary showing the transition from the few power suppliers in its initial developmental years (2013-2014), through the blocks and load following product years (2015, 2016, and 2017), and through to the present block power arrangement with apparent growing exposure to market variations. The recommended generation asset addition(s) from your proposal response may be used to supplement calendar years 2020 and beyond in the open block spaces as indicated by the light blue colored stacked bars on the top.

# Chambersburg Power Supply Portfolio 2013-2023 - Spring 2018 Update

MWh/Yr



## VI. Existing Borough Generation Assets

The Borough presently enjoys as part of its overall portfolio, two PJM Network Resource generators and a single behind the meter (BTM) outside sourced PPA power supply called the Blue Ridge Landfill Gas-to-Power Plant:

The existing Borough-owned facilities are:

- Orchard Park Generating Station
- Falling Spring Generating Station

Both of the existing generating plants are operated in front of the meter with a three-party interconnection agreement between the PJM Interconnection LLC, First Energy (Formerly the Allegheny Power System), and the Borough of Chambersburg.



Orchard Park Generating Station  
23 MW, Four Wartsila 18V32DF Dual Fuel Engines



Falling Spring Generating Station  
7.0 MW, Three Fairbanks Morse Opposed Piston Dual Fuel Engines

### **Contract Generation Station**

The landfill gas plant output as depicted below is currently injected into the BOC electric system behind the meter. The plant with its partnership has the potential to grow, and is built for 9 MW of electric injection using the 4 mile Express Generator Feeder (EGF). This facility will always while in existence be operated behind the meter because it is not a dispatchable resource. The Borough presently uses Tenaska Energy as its certified PJM real-time System Operator, for scheduling its load, day-ahead generation dispatch and scheduling services.

## Energy Power Partners | Blue Ridge Landfill

Energy Power Partners along with Waste Connections and the Borough of Chambersburg, developed a 6.4-megawatt landfill gas-to-energy system at the Blue Ridge Landfill, located in Franklin County near Chambersburg, Pa. The landfill provides 3.2 million cubic feet of methane gas daily from the 268-acre facility to power four Caterpillar engine generators. The generators power the equivalent of 4,000 homes.

EPP Renewable Energy and the Borough of Chambersburg worked together to build a 4-mile power line called the Express Generation Feeder to connect the landfill energy project to the borough's electric system. EPP operates the plant and sells the power it generates to the borough. The electricity will be used to help meet the needs of the borough's 11,200 electric customers.

This plant prevents the equivalent of 40,000 tons of carbon dioxide emissions each year. According to the EPA, the reduction of emissions is equivalent to any one of these annual environmental benefits:

- Removing 7,000 cars from the road.
- Planting 7,300 acres of pine forest.
- Reducing the import of 80,000 barrels of oil.



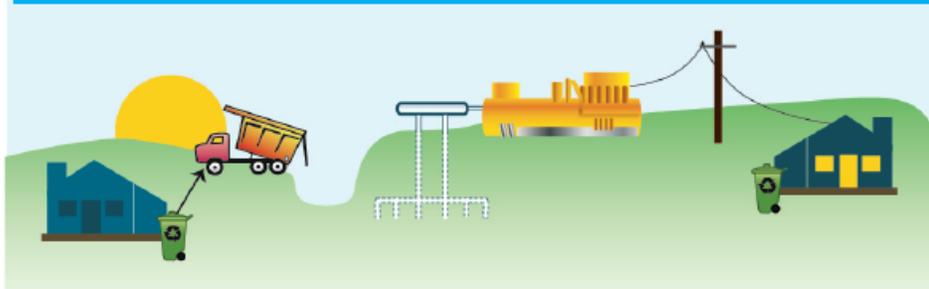
Location	Chambersburg, PA
Operational	January 2013
Equipment	Four Caterpillar 3520 engines
Capacity	6.4 MW
Input	Landfill gas
Output	Around the clock, baseload power to the Borough of Chambersburg.



Energy Power Partners  
Sustainable Investments With Sustainable Results



### Landfill Gas-to-Energy Process



©Energy Power Partners September 2016

## VII. Expanded and Improved Power Supply Portfolio

The Borough is looking to expand and improve its overall wholesale power supply, generation, and delivery portfolios to become more financially and technically self-sustaining. The Borough seeks to advance in its abilities to maintain operations while experiencing normal day-to-day, seasonal fluctuations in generation availability, variations in PPA pricing, increasing transmission costs, external emergencies, and internal loads. Further, the Borough desires to seek professional services to assist with a new calculated supply and pricing model using new assets or existing configurations in a different way to provide somewhat of a buffering through the equipment, technical, and pricing excursions.

The chosen Consultant will provide advice on the re-use, and re-arrangement of existing assets with new assets to make a more productive overall power supply portfolio. This work should include providing recommendations on keeping existing, modified physical plant(s), or new variations regarding in front of the meter and behind the meter, existing and new generation assets, while also considering firm and interruptible natural gas supplies.

### **VIII. Summary of Natural Gas Participation in Project Development**

Natural gas distribution and sales in the Borough of Chambersburg are conducted by the Borough Gas Department. The Borough has owned and operated the Gas Department since 1946, and serves more than 6,000 gas customers.

The Borough receives all gas through the Texas Eastern interstate pipeline, with a take point about two miles south of town. Gas supply is provided through our long-term full requirements membership in the Municipal Gas Authority of Georgia (MGAG). As directed by the Borough, MGAG procures and schedules all gas deliveries to the Borough's take point.

Gas is transported from the Texas Eastern take point on Borough pipelines at a pressure of 205 psi, with a 225 psi Maximum Allowable Operating Pressure (MAOP). Regulator stations decrease gas pressure to the normal delivery pressures of 50 psi (55 psi MAOP) and 8 inches H<sub>2</sub>O column (12 inches H<sub>2</sub>O MAOP).

Gas for the Orchard Park Generating Station is provided from a tap on the 205 psi gas main, and it uses 200 MCF/hr. The Falling Spring Generating Station receives gas from a 50 psi main, and it consumes 70 MCF/hr.

Because both OPGS and FSGS are operated as PJM network resources and are rarely economic to operate, the plants run profile is very intermittent, and they generally sit idle. In 2018, the plants ran at less than 3% of their capacity. Additionally, PJM rules do not allow the plants to include gas demand (capacity) charges in their fuel costs.

Due to the plants' extremely unpredictable operating profile, as well as their inability to pay capacity charges for firm gas supply, gas must be purchased on an interruptible basis. Gas is generally sourced in the Marcellus/Utica Shale region on the spot market and is delivered to the Borough's Take Station priced using the Texas Eastern M3 price point.

Although spot market pricing provides lower-cost gas much of the year, it also subjects the plants to wild fluctuations in pricing during times of high gas demand or pipeline restrictions. We have seen prices spike from less than \$3.00 per MMBTU to \$100.00 during a cold snap. If plant use were to become predictable, the plants could purchase gas at fixed or firm prices, eliminating many of the price spikes they have experienced in past winters.

The Borough's gas system has adequate capacity to allow FSGS to increase its gas load up to 120 MCF/hr (from its current 70 MCF/hr) without gas pressure dropping below 30 psi.

OPGS can increase its load up to 250 MCF/hr (from 200 MCF/hr currently) without causing the inlet gas pressure to drop below 120 psi.

If greater gas takes are required, they can be accommodated for OPGS by infrastructure improvements. Increasing the load at OPGS to 300 MCF/hr would require adding 2,900' of 6" steel gas main from the

plant to Nitterhouse Drive, at an approximate cost of \$750,000, and an upgrade to the Borough's take station capacity at an approximate cost of \$100,000.

Increasing the load at OPGS beyond 300 MCF/hr would require a new 8" steel main to the take station, with a length of 12,000', costing approximately \$4 million, as well as an upgrade to the take station costing approximately \$500,000.

Increasing the gas capacity at FSGS beyond 120 MCF/hr (for a 30 psi min) can also be completed by infrastructure improvements. However, costs will be significant for only incremental increases in capacity.

## **SECTION II: SCOPE OF WORK**

### **Proposed Work Shall Address:**

#### **I. Baseline Proposal**

The chosen Consultant will have already conducted their review of the existing Borough assets, infrastructure, system, and market. They will present a “next steps” proposal to be taken in the review of a variety of right-sized alternatives to the existing system. Evaluation of the existing system should not be included in the baseline proposal. The baseline proposal shall represent the Consultant’s answer to the question: the next steps that the Borough of Chambersburg Electric Department should take with respect to generation assets is...?

The baseline proposal shall represent the cost of the next steps proposal.

The next steps proposal should include an evaluation of how the variety of right-sized alternatives will integrate into the existing infrastructure (i.e. the evaluation of replacement, enhancement, changes, or improvements to the existing generation profile of the Borough of Chambersburg Electric Department).

Consultants will be evaluated on their successfully previously completed review of the existing Borough assets, infrastructure, system, and market, their ability to articulate the status quo, and their list of proposed right-sized alternatives that they will develop and evaluate during the next stage of the process.

The baseline proposal is the review of those right-sized alternatives. This evaluation must include a financial analysis, a “SWOT analysis”, a pro forma business plan, and design, construction, and maintenance costs for each alternative.

It is possible that after the review, no alternatives will be selected. If this is the case, the baseline proposal will represent the completion of this project.

However, it is possible that after the completion of this stage of the project, the Borough of Chambersburg may select one of the alternatives. In that case, the chosen Consultant will be ready to move to step II in the process.

#### **II. Development of plan to implement selected alternative**

The chosen Consultant will be prepared to move from the baseline proposal to implementation of one of the alternatives evaluated. This development of the selected alternative will include the following program components:

- a. The physical infrastructure necessary to be installed to accomplish the alternative selected
- b. The pro forma business plan for the selected alternative
- c. Construction cost
- d. Design plans including construction documentation sufficient to proceed with development
- e. Process for implementation in the wholesale power portfolio
- f. Maintenance and fuel costs
- g. Generation facility layout plan

- h. Micro-grid/substation integration conceptual plan
- i. Manufacturers' information on assets including availability, warranty, control systems, etc.
- j. Images, graphics, and/or renderings to demonstrate the development plan

The development plan, once completed, along with all costs and challenges, would be presented at a public meeting to the Chambersburg Borough Council. The Consultant would be prepared to explain the development alternative to the public and media.

Following the presentation of the development plan, the Chambersburg Borough Council will decide whether to proceed to project development. If they choose to not proceed, this may be the end of this project.

However, it is possible that after the completion of this stage of the project, the Borough of Chambersburg may decide to proceed with construction and implementation of the development. In that case, the chosen Consultant will be ready to move to step III in the process.

### **III. Project Development**

The chosen Consultant shall be responsible for managing the entire project development process from preparation of the preliminary design through construction, and chosen development project startup including, but not necessarily limited to, the following:

1. Coordination with and meetings with any and all regulatory agencies (including the Pennsylvania Department of Environmental Protection, the Federal Energy Regulatory Commission, PJM Interconnection, adjacent Investor Owned Utilities, the Chambersburg Planning Commission, the Chambersburg Zoning Hearing Board, the Franklin County Conservation District, and any agency involved in project approval) including responding to any and all regulatory agency comments, concerns, questions, forms, submissions, and designs, needed to prepare for the construction of the development project.
2. Specification preparation and coordination of subsurface investigations and geotechnical report.
3. Project Basis of Design Report and Cost Estimates: Basis of Design Report shall include but is not limited to a detailed description of the design considerations, unit process size and performance parameters, detailed descriptions and copies of model financial runs and qualified power and mass flow diagram, and a detailed opinion of probable construction cost.
4. Preliminary Design Submission: Consultant must provide Borough with a 30% preliminary design submission outlining major design concepts and address any difference between the Basis of Design Report and the 30% preliminary design. Along with the 30% preliminary design, the Consultant must provide a budget estimate of anticipated construction costs.
5. 50% Design Submission: Consultant must provide Borough with a 50% design submission outlining the intended final design for the project and address any differences between the Basis of Design Report, the 30% preliminary design, and the 50% design submission. Along with the 50% design, the Consultant must provide a -15%/+20% budget estimate of anticipated construction costs.
6. Final Design: Consultant must provide Borough with a final design outlining all aspects of the

project, including schedules, specifications, equipment, etc. Differences between the 50% design and the final design shall be addressed. The Consultant must also provide a +/- 10% budget estimate of the anticipated construction costs.

7. Consultant's submission of an Engineer's Design Report and Drawings required for submission and successful receipt of the Pennsylvania Department of Environmental Protection Air Emissions Control, Permitting, and emissions monitoring Permits.
8. Detailed Design and Bidding Documents.
9. Bid Phase Services including contract and award recommendations.
10. On-site construction administration including shop drawing approvals.
11. Consultant shall prepare monthly project summary reports outlining work performed during the month, consultant personnel hours used to date versus total allocated, detailed explanation of all funds expended in furtherance of the project.
12. Consultant shall coordinate bi-weekly project meetings, and if deemed necessary by the Borough, weekly project meetings. The Consultant shall be responsible for ensuring that as-built drawings and submissions are reviewed and approved.
13. Startup, Training, Record Drawings, and O&M manuals (provide sample format and content). All drawings and O&M manuals shall be provided in electronic format. The Consultant shall coordinate with construction management and contractor(s) to ensure that accurate record drawings are produced.
14. Pre and post construction noise, air quality, visual or other similar type studies, reviews or impact statements.
15. Any Borough request to evaluate additional study and report phase alternative solutions after final design has commenced including during construction.
16. Pre and post construction renderings, financial models, flow diagrams, power flows and heat balances for Borough's use with joint utility or joint public private.
17. Pre and post construction coordination of meetings, applications, Environmental Reporting, third party reviews, and oversight of work to obtain PADEP Permits and PJM Queue submissions.
18. Coordinate with the Contractor to provide, install, and train any special compliance interface equipment or other type of software.
19. Supplemental Services - Those potential services beyond the basic services which may be required to implement the project. The following services will be on a time and material basis with the Consultant if determined to be necessary based on the level of effort needed at that time.

## **SECTION III: PROPOSAL SUBMISSION** **QUALIFICATIONS AND TECHNICAL PROPOSALS**

### **I. Required Technical Proposal Content**

The Borough will be contracting the work under this RFP with one prime consulting/engineering firm (hereinafter referred to as “Consultant”) which will be responsible for the proposal and work of its Team. The Consultant is required to complete and submit a response including the information outlined in this request. The response under this section shall include the following:

**Consulting Team:** Organization charts, description of staff roles, description of sub-consultant roles, and capsule experience information; resumes shall be included in the appendix and shall be limited to 2 pages each.

**Relevant Project Experience:** Description of the lead Consultant and Key Consulting Team members' similar experience implementing on similar size, type and complexity and with similar time constraints. Consideration will be given to demonstrated experience with modeling/design/construction management/startup experience of the technologies and processes. This section shall also demonstrate the firm's expertise and experience with project management. Include five past project descriptions of similar scope, size and complexity. Past project descriptions shall include references and contact information.

**Project Planning:** Submittal shall demonstrate a clear understanding of recognized industry project management standards utilized by the proposing firm. Project management tools and approaches and QA/QC practices proposed for the Borough project shall be explained. Documentation of understanding of industry-recognized contract document standards and their benefit to the project shall be described.

**Project Approach:** The Consultant shall base its alternative approaches to the project scope as described in Section II. Alternative approaches to the baseline project approach shall be clearly labeled as such. If the Consultant is not recommending implementation of the baseline project approach or either/any of the Alternatives as described, a full discussion of why that approach of the expansion and upgrade, improvement(s) is (are) inappropriate and/or not cost-effective must be presented. Approach descriptions shall include all necessary project management tasks and services that, based on the Consulting Team's experience, will be necessary to efficiently complete the project. Approach and scope descriptions shall include the following:

The Consultant shall detail the scope of work to be provided under each phase of work for each set of alternatives chosen. The Consultant shall also provide a preliminary project schedule showing the planned approach, key task activities and milestones necessary to meet the Borough PJM submission and permit deadlines and compliance requirements which may include a combination of temporary installations and ultimate bricks and mortar construction.

The level of effort under these tasks shall be based on an assumed number and extent of activities (such as meetings, number of contracts, etc.) over the full project time frame.

For design, bidding and construction tasks, the Consultant shall describe the assumed number of construction contracts associated with the person-hour loading and any other quantifying assumptions such as number of drawings.

Project Staff Loading Analysis: This section shall contain spreadsheet summaries of the person-hours required to implement the scope of work. Loading shall be by labor classification and task. The loading analysis shall be subdivided into the project phases in the Project Approach. Costs of supplemental services may be separately requested from the top three engineer candidates.

#### Project Qualifications and Experience

The Consultant shall provide evidence of its Consulting Team's capabilities, competence, and availability in providing successful project management, modeling and design for municipal power generation and integrated supply facilities.

Included shall be a summary of each such relevant project experience by the Consultant and its Consulting Team for the last seven (7) years. The Consulting Team shall provide experience relating to 2-18 MW power stations of multiple prime mover and fuel configurations stations of this size or larger will receive a higher qualifications ranking.

Include relevant qualifications to provide consulting services, including preparation of bid documents, bid evaluation, and incorporation of bid proposals into alternative project approach strategies.

Include demonstrated experience with power plant evaluation modeling software to develop the expected overall performance objectives during seasonal generation and loading variations and financial and process performance parameters used within the Basis of Design Report.

Each summary shall describe unique contributions, by the firms represented, to the projects that facilitated time efficiency, cost savings, project value, team building, partnering and related issues unique to the design process.

With regard to the use of sub-consultants, the Consulting Team's response shall indicate methods (that include the Borough's participation) to facilitate a qualification and selection process for these firms. The Borough reserves the right to accept or reject any sub-consultants; as well as rejecting any and all proposals.

#### Key Project Staff and Experience and Commitments

The Consultant shall provide vitae of personnel and an organizational chart of key staff who will be assigned to the Project. The resume for each person shall be limited to two pages and describe the individual's previous applicable experience to the Project. Each resume shall clearly indicate out of which office the individual works. Additionally, the Consultant shall identify offices which will handle the work and assign a percentage of work that is being done at each office.

The Consulting Team shall also describe its current project commitments and the availability of their respective staff and equipment. The Consultant shall include an explanation of how these Projects and its schedule will fit into that of the Consulting Team and if any conflicts for staff or equipment are foreseen.

The Consultant shall also provide a list of at least three (3) references for the Consultant or Consulting Company that is part of the Consulting Team. The references shall relate to similar sized projects. The Consultant and all members of the Consulting team, by submitting a proposal to the Borough, authorize the Borough and its representatives to contact former clients and/or references to discuss the Consultant or any member of the Consulting Team's qualifications.

The Consulting Team, by submitting a proposal to the Borough, agrees to expressly release the

Borough of Chambersburg, its agents, attorneys, representatives, Council members, heirs, and assigns as well as the former client and/or reference and their agents, attorneys, heirs and assigns from any and all rights, losses, damages, claims, actions or causes of action, whether in contract or tort, law or equity, whether known or unknown, suspected or unsuspected, which Consultant ever had, now has, or ever will have against the Borough, former clients and/or references related to the discussion in any manner of any member of the Consulting Team's performance and/or qualifications.

The Borough reserves the right to approve key staff such as Project Manager and key engineering personnel. If the Borough accepts the proposal of a Consultant, the Consulting Team cannot change without the express written consent of the Borough, which will not be unreasonably withheld.

### **Cost Control Methods**

The Consultant shall provide information documenting its past ability and experience in providing a competitive cost environment for the design, procurement of equipment, and award of construction contracts. The response shall indicate processes that will be employed on the Borough's Project to control capital cost escalation, keep total project cost within the Borough cost projections, and ensure that a cost competitive PROJECT is delivered.

Schedule control methods/system: The Consultant shall provide evidence of its ability and past experience to control design, bidding, and construction schedules, and present a plan and system to be used to meet the Borough known compliance schedules and to avoid delays and requests for additional contract time.

### **Litigation/Arbitration**

The Consultant shall identify any litigation or arbitration involving any member of the Consulting Team relating to any projects that any member of the Consulting Team has been involved with in the last five (5) years,

### **Reservation of Rights**

The Borough reserves the right to waive any irregularities in the proposals and to reject any and all proposals or to waive any details in the proposals. Further, the Borough reserves the right to accept any proposal which the Borough deems to be in its best interest and not necessarily the proposal with the lowest cost.

The Borough reserves the right to require any Consultant or Consulting team to submit additional information that the Borough deems necessary in evaluating the proposals.

The Borough reserves the right to negotiate final contract, scope of work, and the schedule of fees with the Consultant or Consulting Team whose proposal the Borough accepts.

## II. Price Proposal

The Borough anticipates that the cost of these services will be in a flat rate for each phase and not in an hourly rate proposal.

Respondents are required to submit a detailed spreadsheet showing the time, cost and expenses for each Phase in the Project scope.

- I. Baseline Proposal: To develop the baseline evaluation, the Consultant is proposing a total number of work hours \_\_\_\_\_ at a total lump sum cost to the Borough of Chambersburg of \$ \_\_\_\_\_.
- II. Development of plan to implement selected alternative: To proceed to project a plan, the Consultant is proposing a total number of work hours \_\_\_\_\_ at a total lump sum cost to the Borough of Chambersburg of \$ \_\_\_\_\_.
- III. Project Development: To proceed to project development including construction planning, management, and supervision, the Consultant is proposing a total number of work hours \_\_\_\_\_ at a lump sum cost to the Borough of Chambersburg of \$ \_\_\_\_\_.
- IV. Those items not included in the lump sum shall be restricted to only:
  - a. Postage
  - b. Fax
  - c. Photocopying
  - d. Record Drawings - Record Drawings are to be prepared in AutoCAD format (latest edition).
  - e. Printing of blueprints
  - f. Scanning of blueprints
  - g. Additional public Council or open house meetings beyond 1 per phase
  - h. Site visits over 1 per ten (10) business days
  - i. Price list of additional services not contemplated by this proposal
  - j. Additional study and report on phase II alternative solutions after final design has commenced including during construction; time and material rate; please submit a general schedule of proposed hourly rates for all members of the development team should the project go beyond the contemplated scope.
  - k. Supplemental services as detailed within the proposal

## **SECTION IV: SELECTION PROCESS**

- I. Proposals submitted to the Borough shall be evaluated by the Borough Staff/ Borough Council selection committee for initial selection of the first, second, and third choice Consultant candidates. The committee will make a recommendation to the Borough Manager, who will select the top candidate subject to approval of Borough Council. Once the selection of the top candidate is finalized, the Borough will then initiate contract negotiations with the first choice candidate Consultant utilizing its price proposal to begin the process. In the event that a Consulting Agreement is not successfully negotiated, the selection committee reserves the right to begin the negotiation process with another applicant at any time.
  - a) Experience, qualifications, and commitment of key project personnel
    - i) The experience of proposed project personnel. Key project personnel must have held responsible project positions for similar projects;
    - ii) The degree to which the assigned project personnel and team bring experience in the full range of skills and expertise needed to accomplish the Scope of Work in all task areas;
    - iii) The specific commitments made in the proposal for staffing key project positions including percent of Project Manager's time dedicated to the Project; and
    - iv) Any other experience and/or criteria the committee deems relevant.
  - b) Experience and past performance of the Consultant and Consulting Team members on similar projects within the last seven years
    - i) The Consultant's and Consulting Team members' experience in conducting projects of similar nature and complexity;
    - ii) The ability of the Consultant to draw on this experience to benefit the project;
    - iii) The Consultant's history of applying proven technology and innovations in applicable project areas; and
    - iv) Any other experience and/or criteria the committee deems relevant.
  - c) Method of accomplishing the Scope of Work
    - i) Proposed organization of the work;
    - ii) Alternatives, innovations and enhancements to fulfill Scope of Work, and likelihood of success of meeting Project goals;
    - iii) Unique capabilities that influence the project;
    - iv) Understanding of the appropriate levels of effort required (hours) for various tasks;
    - v) Appropriate project financial and management controls including
      - (1) Clear method and effort level of meeting and tracking progress of schedule milestones, intended outcomes and deliverables for each task
      - (2) Quality assurance; and

(3) Project financial controls and invoicing systems

- d) Consultants will be evaluated on their successfully previously completed review of the existing Borough assets, infrastructure, system, and market, their ability to articulate the status quo, and their list of proposed right-sized alternatives that they will develop and evaluate during the next stage of the process.
  - e) Any other experience and/or criteria the committee deems relevant.
- II. If the parties are unable to come to an agreement on contractual terms, after forty-five (45) days, the Borough reserves the right to reject the proposal and negotiate with any other respondent.

## **SECTION VI: PROPOSAL SUBMISSIONS AND SCHEDULE**

### I. Response Date, Time, Place, Borough Contact, Format

#### a) Responses Due:

All Proposals shall be submitted no later than 12:00 p.m. on November 15, 2019.

#### b) Submit to:

All proposals shall be addressed as follows:

Salzmann Hughes, PC  
Attn; G. Bryan Salzmann, Esquire, Borough Solicitor  
79 St. Paul Drive  
Chambersburg, PA 17201

#### c) All proposals shall be clearly labeled:

Electric Generator Development Project Proposals

#### d) Contact: All legal correspondence shall be addressed to:

e) Salzmann Hughes, PC  
Attn: G. Bryan Salzmann, Esquire, Borough Solicitor  
79 St. Paul Drive  
Chambersburg, PA 17201

#### f) Format of Submittals: All submittal packages shall be submitted with:

Seven (7) copies of Volume 1 - Qualifications and Technical Proposal and Seven (7) copies of Volume 2 - Price Proposal (hourly rate sheet included) shall be in a sealed envelope.

### II. Pre-submittal Meeting:

The Borough shall conduct a pre-submittal meeting at the FSGS Electric Generation Facility at a date and time to be announced.

### III. Interviews:

The Borough reserves the right to interview any of the candidates or none of the candidates. Interviews, if deemed necessary, shall tentatively be conducted during the week of December 9 through 13, 2019. Interviews shall be a maximum of one hour in duration with up to ½ an hour for presentations followed by a question and answer period.

### IV. The Borough intends to interview the top three (3) Consultant candidates at a time and place to be announced.

### V. Consultant/Consultant Team award of contract is anticipated by January 20, 2020.

RESPECTFULLY REQUESTED, THE BOROUGH OF CHAMBERSBURG

Jeffrey M. Stonehill  
Borough Manager/Director of Utilities  
Borough of Chambersburg  
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Chambersburg, PA 17201

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