

### PROPOSAL SUBMISSION CHECKLIST

The vendor **MUST** include the following with the proposal submission.  
If the items highlighted below are not submitted with the proposal submission,  
the Commonwealth **MUST** deem the proposal **non-responsive and**  
**SHALL NOT consider for award.**

All other items **MUST** be submitted prior to award.

\_\_\_\_\_ SIGNED AND COMPLETED SOLICITATION (Section 8.10 of this RFP)

\_\_\_\_\_ \*PROPOSED SOLUTION (TECHNICAL) UNDER SEALED COVER AND BY CLOSING DATE  
Section(s) 8.00 and 8.10 of this RFP

\_\_\_\_\_ \*PROPOSED SOLUTION (COST) UNDER SEALED COVER AND BY CLOSING DATE  
Section(s) 8.00 and 8.20 of this RFP

\_\_\_\_\_ TRANSMITTAL LETTER – Section 8.10 of this RFP

\_\_\_\_\_ PROOF OF REGISTRATION WITH SECRETARY OF STATE BY A FOREIGN ENTITY  
(Section 11 of this RFP)

\_\_\_\_\_ REQUIRED AFFIDAVIT(S) – Section 8.10 of this RFP

\*The Commonwealth defines SEALED as “a closure that must be broken to be opened and that thus reveals tampering” (Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/seal>)

REQUEST FOR PROPOSAL  
FOR  
PERSONAL SERVICE CONTRACT

**Energy and Environment Cabinet/ Public Service Commission  
Public Utility Rate Analysis Consulting Services  
RFP123190000117**

This document constitutes a Request for Proposals for a Personal Service Contract from qualified individual(s) or organization(s) to furnish the services described herein for the Commonwealth of Kentucky, Public Service Commission.

Offerors are advised that any personal service contract resulting from this RFP must comply with all applicable provisions of KRS 45A and KRS 12.210 prior to becoming effective.

A contract, based on this RFP, may or may not be awarded. Any contract award from this RFP is invalid until properly approved and executed by the Finance and Administration Cabinet and filed with the Legislative Research Commission, Government Contract Review Committee.

**1.00 Purpose and Background**

To carry out its primary mission of ensuring safe and reliable utility service at rates that are fair, just and reasonable to ratepayers and utilities, the Commission depends heavily upon competent, professional staff. Due, in part, to budgetary pressures, the Commission has been reduced to its lowest average staffing level ever (65 employees) in 2018.

In addition to the significant reduction in total staff, the Commission also has lost a number of experienced staff members in recent years. For example, during calendar year 2017, the Commission saw the departure of 20 staff members who collectively had over 330 years of experience at the PSC. Though the Commission has been fortunate in finding quality personnel to backfill many of those positions, employees who joined the PSC in 2017-18 have faced a steep learning curve in a challenging and complex regulatory environment.

While staffing levels have declined dramatically, rate cases before the Commission have increased in volume and complexity. There have been increases in the number of orders issued, new cases filed, tariff and contract filings, consumer assistance investigations, and hearings.

The purpose of this (RFP) is the contract with one or more vendors to provide public utility electric, gas, and water rate analysis support to the Kentucky Public Service Commission. The vendors will be provided office space at 211 Sower Blvd, Frankfort, but may work from home. When required to be in the office, travel mileage to and from home address will be paid at the approved state rate. The number of hours to be worked each week will be negotiated with the vendor and will vary from week to week based on the Commission's needs, but is not expected to exceed 37.5 hours per week.

**2.00 Scope of Work**

The vendor shall:

Assist the Commission in processing rate cases filed by larger utilities.

Assist in analysis of the utility's cost of service studies in order to recommend a rate design.

Assist in the evaluation of testimony and rebuttal testimony.

Assist in analyzing utility applications and responses to data requests.

Review tariff filings for conformity with statutes and regulations as well as reasonableness.

Prepare data requests to the utility or other parties for staff consideration.

Attend meetings and hearings as requested by the Commission.

Assist in the preparation and finalization of all orders related to any assigned cases.

Other duties as assigned.

The vendor shall provide the agency with weekly status updates on assigned tasks. These updates will be due on the following Monday unless it is a State Holiday, in which case they will be due the next business day thereafter. Vendor shall include a detailed summary of activities and hours worked. These status updates shall be written in terminology that will be meaningful to the agency and its staff and others generally familiar with the subject matter. The reports will be delivered by email to the Director of the Division of Financial Analysis or her designee.

### 3.00 Evaluation Criteria

The Public Service Commission will evaluate the proposals based on the following evaluation factors:

Response to the Technical Portion of the RFP.

**Experience (250 Points) –** The vendor shall provide a detailed statement describing similar projects they have been involved with over the previous ten (10) years. Vendors shall identify their three (3) most recent related projects.

**Qualifications and Expertise (250 Points) –** The vendor shall provide resumes (including education and experience) for all personnel who will be engaged in the project. Personnel assigned to the project may not be changed at any time without the prior written approval of the agency or its designated representative.

Response to the Cost Proposal of the RFP:

**Cost (250 points)** The vendor shall submit an hourly rate to be charged for the services described herein.

**Oral Presentation/Demonstration (250 points)..** The vendor may be required to make an oral presentation outlining their experience, qualifications, and expertise at a time designated by the Commission.

### 4.00 Schedule of RFP Activities

The following schedule presents the major activities associated with the RFP distribution, written questions and proposal submission. The Commonwealth reserves the right at its sole discretion to change the Schedule of Activities, including the associated dates and times.

Release of RFP	<b>September 28, 2018</b>
<b>Written Questions due by: 3:00 PM</b>	<b>October 5, 2018</b>
<b>Anticipated Commonwealth Response to Written Questions</b>	<b>October 12, 2018</b>
Proposals Due by: <b>3:00 PM</b>	<b>October 19,2018</b>
All bidders are cautioned to be aware of the security in the <b>Public Service Commission</b> located at <b>211 Sower Blvd Frankfort</b> , Kentucky. All bids shall be time stamped in the <b>Public Service Commission</b> no later than the due date and time defined in this Solicitation. In person or courier delivered bids submitted in response to this Solicitation shall be delivered to <b>Public Service Commission</b> . Delays due to building security checks shall not be justification for acceptance of a late bid.	
*NOTE: ALL TIME REFERENCES ARE TO THE EASTERN TIME ZONE.	

## 5.00 Offeror's Conference

Not Applicable

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## 6.00 Point of Contact

The Agency Contact named below shall be the sole point of contact throughout the procurement process. All communications, oral and written (regular mail, express mail, electronic mail or fax), concerning this procurement shall be addressed to:

James Ishmael  
211 Sower Blvd  
Frankfort, KY 40601  
(502) 782-2568  
(502) 564-7189  
James.ishmael@ky.gov

From the issue date of this RFP until a Contractor(s) is selected and the selection is announced, Offerors shall not communicate with any other Commonwealth staff concerning this RFP.

## 7.00 Questions Regarding this RFP

Questions must be submitted in writing to the Agency Contact. The Commonwealth will respond to salient questions in writing by issuing an Addendum to the Solicitation. The Addendum shall be posted to the Commonwealth's eProcurement page.

## 8.00 Proposal Submission

Each qualified offeror shall submit only **one (1) proposal**. **Alternate proposals shall not be allowed**. Failure to submit as specified shall result in a non-responsive proposal.

The vendor should complete the "**Vendor**" **box** on the face of the solicitation. An authorized representative of the vendor **shall sign** where indicated on the face of the solicitation. **If the solicitation is not signed the proposal shall be deemed non-responsive.**

### Acknowledgment of Addenda

It is the vendor's responsibility to check the web site for any modifications to this solicitation. Vendors are encouraged to acknowledge each addendum by signing and submitting the latest addendum with their response. However, signing the face of the solicitation as indicated above constitutes the vendor's acknowledgement of and agreement to be bound by the terms of all addenda issued.

**Failure to specifically acknowledge addenda will not excuse the vendor from adhering to all changes to the requirements of the solicitation set forth therein nor provide justification for any pricing changes.**

All submitted technical and cost proposals shall remain valid for a minimum of six (6) months after the proposal due date.

Proposals shall be submitted in three (3) parts: The Technical Proposal, the Cost Proposal, and the Proprietary Information.

The **Technical Proposal** should include one (1) marked original technical and three (3) marked technical thumb/flash drives (in Microsoft Word, Microsoft Excel or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

The **Cost Proposal** should include one (1) marked original cost and three (3) marked cost thumb/flash drives (in Microsoft Word, Microsoft Excel or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

Any **Proprietary Information** should include one (1) marked original proprietary and three (3) marked proprietary data thumb/flash drives (in Microsoft Word, Microsoft Excel, or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

All proposals must be received no later than 3:00 PM October 19, 2018.

Proposal shall be submitted to the Agency Contact. The outside cover of the package containing the technical proposal shall be marked:

Public Utility Rate Analysis Consulting Services  
RFP 1231900000117  
TECHNICAL PROPOSAL  
Name of Offeror

The outside cover of the package containing the cost proposal shall be marked:

Public Utility Rate Analysis Consulting Services  
RFP 1231900000117  
COST PROPOSAL  
Name of Offeror

ELECTRONIC OR FACSIMILE PROPOSALS SHALL NOT BE CONSIDERED.

**8.10 Format of Technical Proposal**

The Technical Proposal must be arranged and labeled in the manner set forth below.

**Transmittal Letter** – a Transmittal letter shall be submitted on Offeror’s letterhead, and signed by an agent authorized to bind the Offeror. The Transmittal letter shall include the following:

a.	A statement that deviations are included, if applicable.
b.	A statement that proprietary information is included, if applicable.
c.	A statement that, if awarded a contract as a result of this Solicitation, the Offeror shall comply in full with all the requirements of the Kentucky Civil Rights Act, and shall submit all data required by KRS 45.560 to 45.640.
d.	A sworn statement that, pursuant to KRS 11A.040, that Offeror has not knowingly violated any provisions of the Executive Branch Code of Ethics.
e.	A statement certifying that the price in this proposal was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.
f.	A statement affirming that the Offeror is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing with the Office of the Kentucky Secretary of State for the duration of any awarded contract resulting from this Solicitation.
g.	The name, address, telephone number, fax number and email address and website address, if available, of the contract person to serve as a point of contact for day-to-day operations.
h.	Subcontractor information to include the name of the company, address, telephone number and contact name, if applicable.
i.	Foreign entity’s organization number issued by the Secretary of State in a certificate of authority or a statement of foreign qualification, if applicable.

**Completed and Signed Solicitation and Addenda** – An authorized representative MUST complete and sign the Solicitation form and include the following:

- a. “Vendor” box and “Remit To” box must be completed.
- b. Vendor shall indicate ownership type.
- c. Vendor shall provide “FEIN” if applicable.
- d. Vendor shall provide date the form is completed and signed.
- e. Signed face of the most recent Addenda, if applicable.

**Signed and Notarized Required Affidavit for Bidders or Offerors - available at the following link:**  
<http://finance.ky.gov/services/forms/Pages/default.aspx>

**Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status – if applicable. Available at the following link:**

<http://finance.ky.gov/services/forms/Pages/default.aspx>

\*Offerors not claiming Resident Bidder Status need not submit this affidavit.

**Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Qualified Bidder Status – if applicable. Available at the following link:**

<http://finance.ky.gov/services/forms/Pages/default.aspx>

\*Offerors not claiming Qualified Bidder Status need not submit this affidavit.

**Response to the Technical Portion of the RFP** – Please provide a detailed response to the technical requirements outlined in the Evaluation Criteria. No cost information shall be provided in the technical portion.

### **8.20 Format of Cost Proposal**

The Cost Proposal must be submitted under separate cover from the Technical Proposal and must be arranged and labeled in the manner specified. The proposal with the lowest price receives the maximum score. The remaining proposals with the next lowest price receives points by dividing the lowest price by the next lowest price and multiplying that percentage by the available points.

### **8.30 Certification Regarding Debarment and Suspension**

In accordance with Federal Acquisition Regulation 52.209-5, the Offeror shall certify, by signing the Solicitation, that to the best of its knowledge and belief, the Offeror and/or its Principals is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency.

For the purposes of this certification, “Principals”, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of subsidiary, division, or business segment, and similar positions.

### **9.00 Rules of Procurement**

To facilitate this procurement, various rules have been established. These are described in the following paragraphs.

Offerors should review and comply with the General Conditions and Instructions for Solicitation/Contract listed under “Response to Solicitation” located on the eProcurement web page at

<http://finance.ky.gov/services/policies/Documents/FAP%20110-10-00.pdf>

The procurement process will provide for the evaluation of proposals and selection of the winning proposal in accordance with state law and regulations. KRS Chapter 45A of the Kentucky Model Procurement Code provides the regulatory framework for the procurement of services by state agencies.

### **9.10 Technical Proposal Evaluation**

The Public Service Commission will evaluate the proposal based on the technical portion of the Evaluation Criteria. Each Offeror is responsible for submitting all relevant, factual and correct information with their offer to enable the evaluator(s) to afford each vendor the maximum score based on the available data submitted by the Offeror. Past Offeror Performance may be considered in the award of this Contract. Offerors with a record of poor performance in the last twelve (12) months may be found non-responsible and ineligible for award.

#### **9.20 Cost Proposal Evaluation**

The Public Service Commission will evaluate the proposal based on the cost portion of the Evaluation Criteria.

#### **9.30 Right to Reject/Waiver of Minor Irregularities**

The Commonwealth reserves the right at its discretion to reject any and all offers. The Commonwealth also reserves the right at its discretion to waive informalities and minor irregularities in offers received.

#### **9.40 Clarification of Proposals**

The Commonwealth reserves the right at its discretion to request additional information as may reasonably be required for selection and to reject any proposals for failure to provide additional information on a timely basis.

The Commonwealth reserves the right to conduct discussions with any Offeror who has submitted a proposal to determine the Offeror's qualifications for further consideration. Such discussions shall not disclose any information derived from proposals submitted by other Offerors.

#### **9.50 Best and Final Offers**

The Commonwealth reserves the right at its discretion to request a Best and Final Offer (BAFO) for technical and/or cost proposals. Offerors are cautioned to propose their best possible offers at the outset of the process, as there is no guarantee that any Offeror will be allowed an opportunity to submit a Best and Final technical and/or cost offer.

#### **9.60 Vendor Response and Public Inspection**

This RFP specifies the format, required information and general content of proposals to be submitted in response to the RFP. The Energy and Environment Cabinet/Public Service Commission shall not disclose any portions of the proposals prior to contract award to anyone outside the Energy and Environment Cabinet/Public Service Commission, representatives of the agency for whose benefit the contract is proposed, representatives of the federal government, if required, and the members of the evaluation committee. After a contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any and all documents submitted by an Offeror in response to the RP shall be available for public inspection after contract award pursuant to the Kentucky Open Records Act, KRS 61.870 to 61.884 ("the Act"). When responding to a request to inspect records submitted in response to this RFP, the Commonwealth will not redact or withhold any information or documents unless the records sought are exempt from disclosure pursuant to KRS 61.878 or other applicable law. Similarly, no such documents shall be exempt from public disclosure, regardless of the Offeror's designation of the information contained therein as "proprietary," "confidential," or otherwise, except in cases where the requested documents (or information contained therein) would be excluded from application of the Act under KRS 61.878(1)(c).

The Commonwealth of Kentucky shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejections of the proposal will not affect this right.

### **9.70 Reciprocal Preference for Kentucky Resident Bidders and Preferences for a Qualified Bidder**

The scoring of bids/proposals is subject to the reciprocal preference for Kentucky resident bidders and preferences for a Qualified Bidder or the Department of Corrections, Division of Prison Industries (See KRS 45A.490(1), (2), 45A.492, 45A.494 and KAR 200 5:410).

**Vendors not claiming resident bidder or qualified bidder status need not submit the corresponding affidavit.**

### **Determining the residency of a bidder for purposes of applying a reciprocal preference**

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit the attached Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status as part of its response. The Public Service Commission reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

As part of its response, a nonresident bidder shall submit its certificate of authority to transact business in the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

### **Preferences for Qualified Bidder or the Department of Corrections, Division of Prison Industries (200 KAR 5:410)**

Pursuant to KRS 45A.470 and 200 KAR 5:410, Kentucky Correctional Industries will receive a preference equal to twenty (20) percent of the maximum points awarded to a bidder in a solicitation. In addition, the following "qualified bidders" will receive a preference equal to fifteen (15) percent of the maximum points awarded to a bidder in a solicitation. New Vision Industries, Inc., any nonprofit corporation that furthers the purposes of KRS Chapter 163 and any qualified nonprofit agencies for individuals with severe disabilities as defined in KRS 45A.465(3). Any bidder claiming "qualified bidder" status, other than New Vision Industries, Inc., shall submit a notarized affidavit affirming that it meets the requirements to be considered a qualified bidder as part of its response to the solicitation (affidavit form included as part of this RFP). If requested, failure to provide documentation proving qualified bidder status to a public agency, if requested, may result in disqualification of the bidder or contract termination.

### **9.80 Right to Use Oral Presentations to Verify/Expand on Proposal**

The Commonwealth reserves the right at its discretion to require Oral Presentations by some or all of the Offerors to verify or expand on the Technical or Cost Proposals.

### **9.85 Oral Presentation Evaluation Criteria**

The highest ranking vendors may be requested to provide oral presentations/demonstrations to answer questions or to clarify the understanding of the evaluators in accordance with the requirements of this RFP. The oral presentation shall be scheduled at the discretion of the Commonwealth. The Commonwealth reserves the right not to require oral presentations/demonstrations at its discretion or in the event that they would not affect the final rankings.

### **9.90 Negotiation**

After conducting the evaluation to determine the best proposal received, the Public Service Commission reserves the right to negotiate a fair and reasonable compensation based on the pricing submitted in the offeror's proposal. If the negotiations fail to reach an agreement on a fair and reasonable compensation rate, the Public Service Commission reserves the right to proceed to the next highest ranked proposal. Other terms and conditions relating to the technical and/or cost proposals may be negotiated at the sole discretion of the Commonwealth.



#### **9.95 Best Interests of the Commonwealth**

The Commonwealth will rank all proposals in the manner set forth in the Evaluation Criteria. However, the Commonwealth reserves the right to reject any or all proposals in whole or in part before, during, or after negotiation based on the best interests of the Commonwealth.

#### **CONTRACT AWARD, TERMS, AND CONDITIONS**

#### **10.00 Notification of Award**

To view the award of contract(s), including the contractor(s) receiving the award(s) for this solicitation, access the Kentucky Vendor Self Service Site at <http://emaronline1311.state.ky.us/webapp/vssprdonline/AltSelfService>.

Offerors can search for the solicitation title or number in the keyword search field or filter their search for only awarded solicitations by clicking on "Advanced Search" and changing the status to "awarded." The award(s) information can be accessed by clicking on the details button of the solicitation and clicking the "Notice of Award" tab. It is the Offeror's responsibility to review this information in a timely fashion. No other notification of the results of an Award of Contract will be provided to unsuccessful Offerors.

#### **10.10 Beginning of Work**

This Contract is not effective and binding until approved by the Secretary of the Finance and Administration Cabinet and filed with the Legislative Research Commission's Government Contract Review Committee. The Contractor shall not commence any billable work until a valid Contract has been fully executed. This Contract, including the components referenced in Section 10.20, shall represent the entire agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

#### **10.20 Contract Components and Order of Precedence**

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Any written Agreement between the Parties.
2. Any Addenda to the Solicitation.
3. The Solicitation and all attachments hereto.
4. Any Best and Final Offer.
5. Any clarifications concerning the Contractor's proposal in response to the Solicitation.
6. The Contractor's proposal in response to the Solicitation.

In the event of any conflict between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above.

#### **10.30 Contract Term**

The initial term of the Contract is anticipated to be from November 16, 2018 through June 30, 2020.

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the Contract and until the Contract has been filed with the Legislative Research Commission, Government Contract Review Committee.

Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705.

#### **10.40 Changes and Modifications to the Contract**

Pursuant to 200 KAR 5:311, no modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Contractor and the Commonwealth, and incorporated as a written amendment by the Public Service Commission prior

to the effective date of such modification or change. Modification shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

**10.50 Notices**

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature are to be made to the Agency Contact.