

Solicitation No.: RFP-DCSEU-2023–SfA SF  
Notice Type: Request for Proposals (RFP)  
Title: Solar for All, Single-Family Net Metered  
Systems

Posted Date: 10/28/2022

Webinar: 11/3/2022

Questions Due: 11/9/2022

Proposal/Financials Due Date: 12/2/2022  
at 5:00pm EST

**PLEASE NOTE: There will be NO  
extensions granted to this RFP**

## I. OBJECTIVE

Vermont Energy Investment Corporation (VEIC), d/b/a the District of Columbia Sustainable Energy Utility (DCSEU), is issuing this Request for Proposal (RFP) for the DCSEU Solar for All (SfA) Single-Family Program to retain one or more subcontractor(s) to qualify, design, install, commission, operate, and maintain fully integrated and operational photovoltaic (PV) electric generation systems on the roofs of single-family residences of income-qualified property owners or tenants located in the District of Columbia (District)<sup>1</sup>. Each PV system will be required to operate and interconnect as a **residential net metered system and designed to result in an expected 50 percent reduction to the property owner’s or tenant’s electricity costs based on the District’s average residential electric bills for 2016 (which equates to a reduction of 4,200 kWh per year through installation of a PV system size of 3.5–5 kW).**<sup>2</sup> Successful bidders will be required to provide **100 percent of the electrical output from the PV system to the income-qualified property owner(s) or tenant(s) at no-cost for a minimum of 20 years from the date of interconnection** (Operating Period (see Exhibit A, Attachment A, section 3.b for a definition of “Operating Period”).

Bidders shall propose a price per watt incentive amount that **does not exceed a cap of \$1.50 per watt**, not to exceed (NTE) 5 kW of the PV system size. The total incentive will be paid upon completion of all milestones and adjusted based on the as-built system size (subject to the 5 kW NTE), which will be determined by the DCSEU through a quality assurance/quality control inspection. Except for any costs associated with roof repair, replacement, or electrical services to complete the Scope

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<sup>1</sup> Income-qualified property owners or tenants are households with total annual income equal to or below 80% of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD).

<sup>2</sup> An overview and further references for net metering and PEPCO’s Green Power Connection process can be found on its website at: <https://www.pepco.com/MyAccount/MyService/Pages/DC/GreenPowerConnection.aspx>. General information on net metering and net metering bills is also found at: <https://www.pepco.com/SiteCollectionDocuments/PepecoDCApplicationchecklist.pdf>.

of Work, approved in advance by the DCSEU, the price per watt incentive will be the only payment made by the DCSEU for completion of the Scope of Work, including assignment of the electrical output to the property owner(s) or tenant(s) at no cost for the Operating Period (see Exhibit A, Attachment K for approved form of Homeowner Agreement which outlines the subcontractor requirements, including a copy of the operation and maintenance terms and conditions). Bidders are expected to make a competitive return on their investment in the PV systems by monetizing available tax credits, such as the Investment Tax Credit (ITC), and participation in the solar renewable energy credit (SREC) market.

All bidders must demonstrate the capacity and technical capability necessary to complete the services further described in **Section V** (Scope of Work) and **Exhibit A, Attachment B** (General Scope of Services and Pricing Provisions) according to the deadlines established by the DCSEU. Bidders must include financial statements from their company and/or their financier(s) with their proposal to help DCSEU evaluate their financial solvency as further described in **Section IX.M** (Response Requirements, Proposal Elements, Part M: Financial Solvency).

The Fiscal Year 2023 (FY23) subcontract template is attached to this RFP as **Exhibit A**. All bidders must carefully review the subcontract terms and conditions prior to submitting a proposal. **It is important for bidders to understand that many of the subcontract terms and conditions are non-negotiable.** Bidders are strongly encouraged to list any exceptions to the subcontract terms and conditions in their proposal to help the DCSEU evaluate the ability of the parties to successfully negotiate a subcontract and to provide feedback to potential bidders.

The DCSEU also reserves the right to a) reallocate funds after issuance of award notices if the DCSEU is unable to sign subcontract(s) with the successful bidder(s) in a timely manner; b) reduce the NTE in its subcontract(s) with successful bidders based upon performance, and/or c) replace a bidder's PV systems that fail to meet program requirements, such as milestone deliverables or deadlines, with PV systems from other successful bidders if such replacement is deemed by the DCSEU, in its sole discretion, to be in the best interest of the DCSEU.

*Subcontractors should be aware of and in compliance with any currently in effect COVID-19-related workplace mandates or requirements, such as the City Administrator's Order 2022-7, Mask Requirements Inside Certain District Government Buildings and Offices, dated August 19, 2022.*

## II. SUMMARY

The District of Columbia has established forward-looking targets for renewable energy and the growth of solar photovoltaics. The District is aiming for 100 percent of retail sales from renewable resources by 2032, with a 10 percent carve-out for

District solar by 2041.<sup>3</sup> The SfA program has identified a complementary target of reducing by 50 percent the electric bills of 100,000 low-income District households by 2032.<sup>4</sup> The District has made progress in creating programs and strategies to achieve these goals. However, if the goals are to be met, both the pace of market development and the size of project types coming online must increase.

### III. BACKGROUND

The Council of the District enacted the Clean and Affordable Energy Act of 2008 (CAEA), which called for the creation of the DCSEU. The District's Department of Energy & Environment (DOEE) contracted with VEIC to operate the DCSEU in Fiscal Year (FY) 2011; the parties entered a new contract in FY 2017 and DOEE exercised a 5-year option period beginning in FY 2022 for continued DCSEU operations.

The purpose of the DCSEU is to design and implement programs in the District to reduce energy consumption, increase renewable energy generating capacity, reduce the growth of peak electricity demand, improve the energy efficiency of low-income housing, reduce the growth of energy demand of the largest energy users, increase the number of green collar jobs in the District, and support businesses within the District (i.e., Certified Business Enterprises, see D.7 in Table 3 and the text immediately following Table 3).

In June of 2018, the DOEE and DCSEU entered an agreement for the DCSEU to design and implement a new DCSEU SfA Single-Family Program. This program complements existing DOEE SfA grants by using competitive solicitations as well as direct support and engagement with potential project hosts to further encourage and catalyze market growth of solar, thereby contributing to the long-term SfA goals. Since the DCSEU began implementing the SfA Single-Family Program, it has worked with local contractors, mostly Certified Business Enterprises (CBE)<sup>5</sup>, to provide rooftop solar to more than 320 income-qualified DC families that will reduce their electricity bills by approximately 50% for the next 20 years.

*In addition to the Solar for All incentive, financing for solar projects is available through the DC Green Bank at the pre-construction, construction, and permanent stages for solar projects as well as other categories of sustainability projects. DC Green Bank's financing rates for eligible borrowers undertaking Solar for All projects are in the range of 6.50-7.00% for the construction stage and 5.00-6.00% for the permanent stage (up to 10 years) for portfolios of at least 150kW. For smaller portfolios, DC Green Bank offers the Commercial Loan for*

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<sup>3</sup> Renewable Portfolio Standard and the DC Clean Energy Omnibus Amendment Act of 2018.

<sup>4</sup> For further background on Solar for All, see: <https://doee.dc.gov/solarforall>.

<sup>5</sup> The following terms are used in this RFP and are defined in Exhibit A: FY23 CREF Subcontract Template, Attachment A: Definitions and Acronyms: "CBE", DCRA"; and "Pipeline List".

*Energy Efficiency and Renewable Energy (CLEER) and other offerings through financial partners.*

*DC Green Bank also finances pre-construction architectural, design, and engineering costs associated with solar and sustainable infrastructure projects as well as a range of other financing options for resiliency, sustainability, and energy infrastructure projects, including DC PACE (Property Assessed Clean Energy), CLEER, and Navigator Pre-Development Loans. In addition to expanding solar development in the District, DC Green Bank continues to explore opportunities to finance stormwater resilience (green infrastructure), green buildings, and transport electrification. To discuss potential projects with the team or for more information, visit [www.dcgreenbank.com](http://www.dcgreenbank.com) or email [info@dcgreenbank.com](mailto:info@dcgreenbank.com).*

**IV. RFP MILESTONES AND SCHEDULE**

**Table 1: Schedule.** Below is the anticipated schedule for the DCSEU FY23 Single-Family Program. The DCSEU reserves the right to adjust the schedule as needed.

Milestone	Deadline
RFP Issued	10/28/2022
Pre-bid webinar (optional)	11/3/2022
Questions submitted to the DCSEU (info@dcseu.com)	11/9/2022
Responses posted to the DCSEU website	11/15/2022
Deadline for Proposals and Financials	12/2/2022
Notices of Award/Letters of Intent issued	12/19/2022
Certificates of Insurance (COI) and copies of insurance policies, if requested, due to evidence compliance with insurance requirements.	12/26/2022
Subcontracts Issued and Signed	1/2/2023
Income-Qualified Homeowner/Tenant Pipeline List shared with Subcontractors (Note: The issuance of eligible homes to subcontractors by DCSEU)	1/6/2023
Milestone 1:	03/31/2023
Milestone 2:	05/31/2023
Milestone 3:	07/31/2023
Post Construction Obligations	Commercial Operation + 20 years

## V. SCOPE OF WORK

The primary objective is to install and maintain fully operational residential net metered PV systems that will provide 20 years of reliable electrical output to income-qualified property owners or tenants, thereby reducing the household's annual electric costs by at least 50 percent based on the District's average residential electric bills for calendar year 2016 (the 50 percent reduction equates to a reduction of 4,200 kWh per year through installation of a PV system with capacity of 3.5-5 kW). Successful bidders will also be required to guarantee a minimum performance level of 90 percent of the weather-adjusted expected electrical output on an annual per-home true-up schedule.

For the households participating in the FY23 Single-Family Program, successful bidders and the DCSEU will work together to verify income eligibility of property owners and/or tenants upon award of a subcontract. Extra points will be awarded to bidders who can commit to providing the DCSEU with a list of income-qualified households (See Table 3 and Exhibit A, Attachment B for the income-eligibility requirements).

For rental properties, the approved form of Homeowner Agreement (**Exhibit A: Attachment K**) will require the property owner/landlord not to raise the rent on the property because of the benefit provided to the tenant by the PV system, and to make a good faith effort to continue to rent the property to an income qualified tenant(s) for the full duration of the Operating Period. Successful bidders will be required to submit a copy of the approved form of Homeowner Agreement signed by the bidder and property owner for each project to complete Milestone 1.

The DCSEU is also expanding the Scope of Work for Fiscal Year 2023 to include roof repair and replacement services as well as electrical services, if required to complete the installation of the PV system and subject to the availability of funding. The DCSEU is offering to pay successful bidders for these services as a pathway to help more income-qualified property owners and tenants receive the benefits of renewable electric generation systems to reduce their electricity costs. Successful bidders will be required to:

- Inform the DCSEU of any roof repair or replacement and/or electrical services required and the estimated cost of the services to properly install and maintain the PV system for the 20-year Operating Period;
- If requested by the DCSEU, submit up to three (3) bids from roofing or electrical contractors for the repair, replacement, or electrical services to the DCSEU; and
- If approved in writing by the DCSEU, hire and manage the roofing or electrical contractor to complete the services according to the milestone deadlines.

If roof repairs and/or electrical services are approved by the DCSEU, the DCSEU will pay for roof repairs and/or electrical services on a per-project basis and reimburse subcontractors for their actual out-of-pocket costs incurred to complete the replacement and/or repair services.

**Table 2: Single-Family Program Incentive Milestones:** The DCSEU reserves the right to adjust the milestones as needed. If bidder fails to interconnect the PV systems by the deadline established below or fails to deliver 20 years of electrical output, any milestone payments paid to bidder shall be promptly paid back to the DCSEU, but in no event shall such repayment be made later than 30 calendar days after bidder receives a request for repayment from the DCSEU.

<p style="text-align: center;"><b>SINGLE-FAMILY PROGRAM INCENTIVE MILESTONES</b>  <i>(ALL MILESTONE DELIVERABLES, DEADLINES, AND PAYMENTS            ARE SUBJECT TO CHANGE)</i></p>			
Milestone	Summary of Deliverables (see FY23 Subcontract Template for more info.)	Deadline	Incentive Payment
1	<ul style="list-style-type: none"> <li>• Subcontractor’s Statement that each of its Projects meets the SfA Single Family program eligibility requirements (see Section VII, Eligibility).</li> <li>• Preliminary Designs Drawings.</li> <li>• Signed Homeowner Agreement using the pre-approved form (see Exhibit A, Attachment K).</li> <li>• Letter(s) of commitment from financing partner(s).</li> <li>• Recent PEPCO bill (if available).</li> </ul>	03/31/23	0%
2	<ul style="list-style-type: none"> <li>• Stamped engineering design drawings required to obtain permitting approval to install each PV System.</li> <li>• All DCRA permits (e.g., building, solar, roof repairs (if applicable), and electrical permits) and licenses necessary to construct each PV System.</li> <li>• PEPCO Approval of Interconnection Application &amp; Agreement Part I (“Approval to Install” or “ATI”).</li> </ul>	05/31/23	0%

**SINGLE-FAMILY PROGRAM INCENTIVE MILESTONES**  
*(ALL MILESTONE DELIVERABLES, DEADLINES, AND PAYMENTS  
 ARE SUBJECT TO CHANGE)*

Milestone	Summary of Deliverables (see FY23 Subcontract Template for more info.)	Deadline	Incentive Payment
	<ul style="list-style-type: none"> <li>Documentation evidencing procurement of the equipment necessary to stage and install the PV System, including modules, inverters, and racking. Proof of payment is <u>not</u> required as part of Milestone 2; however, proof will be required as a part of Milestone 3.</li> </ul>		
3	<ul style="list-style-type: none"> <li>DCRA final approval of the installed PV System. This includes providing the DCSEU with any final or revised DCRA permit(s) or as-built drawings.</li> <li>DCSEU Quality Assurance/Quality Control (QA/QC) inspection and Substantial Completion Report).</li> <li>PEPCO Approval of Interconnection Application Part II (Authorization to Operate or ATO).</li> <li>Operation and Maintenance Manual and Training.</li> <li>Evidence of Payment for Equipment.</li> <li>System monitoring information sent to the DCSEU.</li> </ul>	07/31/23	100%
Post Construction Obligations	<ul style="list-style-type: none"> <li>Registration of the SRECs with the DC Public Service Commission (PSC).</li> <li>Operation and Maintenance (at no-cost to the property owner(s) or tenant(s) for 20 years from the Commercial Operation Date).</li> <li>PV System's Electrical Output (at no-cost to the property owner(s) or tenant(s) for 20 years from the Commercial Operation Date).</li> <li>Post construction monitoring (at no cost to the property owner(s) or tenant(s) for 20 years from the Commercial Operation Date).</li> </ul>	Commercial Operation + 20 years	0%

**SINGLE-FAMILY PROGRAM INCENTIVE MILESTONES**  
*(ALL MILESTONE DELIVERABLES, DEADLINES, AND PAYMENTS  
 ARE SUBJECT TO CHANGE)*

Milestone	Summary of Deliverables (see FY23 Subcontract Template for more info.)	Deadline	Incentive Payment
	<ul style="list-style-type: none"> <li>Performance Guarantee (90% of the annual expected electrical output for 20-years from the Commercial Operation Date).</li> </ul>		

**VI. CONTINGENT ON FUNDING APPROPRIATION**

The Sfa Single-Family Program operates according to the District Government’s fiscal year (October 1 to September 30) and is subject to the availability of funding under VEIC’s prime contract with DOEE to operate the DCSEU. The prime contract is subject to annual appropriation of funds and there is no assurance of funding availability past September 30, 2023. To meet the District’s goals, the DCSEU is requiring all projects to be completed no later than **July 31, 2023**, as will be outlined in the Subcontract.

**VII. GENERAL INFORMATION FOR BIDDERS**

The DCSEU is the sole point of contact for this solicitation. The DCSEU will score proposals received according to criteria listed below and will negotiate with the highest scoring bidder(s) to reach a final subcontract for the proposed PV systems.

A pre-bid online webinar is scheduled on **November 3<sup>rd</sup>, 2022**. To register for the webinar please email [info@dcseu.com](mailto:info@dcseu.com) and instructions will be sent. All prospective bidders are encouraged to participate; however, participation is not mandatory. The DCSEU will be bound only to the DCSEU’s written answers to questions. Questions arising during the bidders’ webinar or in subsequent communications with the DCSEU will be documented and answered in written form. A recording of the webinar and a copy of the questions and answers will be posted on the DCSEU’s website at [www.dcseu.com](http://www.dcseu.com).

Proposals must be **submitted by the prime bidder or a single bidder** and must include a detailed description of the bidder’s team, including a detailed description of any financing partners or lower-tier subcontractors, if applicable, and the local business status of bidder’s team (e.g., small business enterprise (SBE), CBE, or local nonprofit). Bid responses will be evaluated and scored based on the roles and responsibilities of the bidder’s team.

The DCSEU is committed to supporting and utilizing CBEs. Accordingly, DCSEU anticipates that **at least 15% of the incentives paid to the bidder/subcontractor must be retained by a CBE(s)**. This requirement can be satisfied by the prime bidder or by flowing down this requirement to a lower-tier subcontractor, if approved by the DCSEU (see **Exhibit A: Subcontract, Section 24, Subcontract; Assignment and Delegation**).

The **total dollar amount of the awards for the SfA Single-Family Program solicitation is expected to be \$1 million** depending on the strength of the responses. A qualified and highly competitive bid may be awarded a significant fraction of the total award pool.

### **Eligibility**

This solicitation is open to all bidders, including grantees of the SfA innovation and expansion grants from DOEE. Bidders that were awarded subcontracts in prior fiscal years must respond to this solicitation to be considered for FY23 funds. A bidder's past performance will be considered as a part of the scoring criteria.

The following **projects are not eligible for the SfA Single-Family Program** and should not be included in bidder's proposal response:

- A) Projects that cannot achieve the milestone deadlines and interconnection by **July 31, 2023**;
- B) Projects that have already received or will receive other District Government support, including projects incentivized by the DCSEU SfA Program awards or DOEE SfA Innovation & Expansion Grants;
- C) Projects with production value below 1200 kWh/kW;
- D) Projects that have already received ATO from PEPCO before the date of subcontract execution with the DCSEU; or
- E) Projects located outside of the District of Columbia.

### **Limitation**

This solicitation does not commit the DCSEU to awarding subcontracts, or to procuring or subcontracting for services or supplies. The DCSEU reserves the right to accept or reject any or all proposals received, to waive any informality or irregularity in any response received, to be the sole judge of the merits of the respective responses received, to negotiate with all qualified sources, to determine the timing of the start of the services, not to proceed with some or all of the work, and to cancel in part or in its entirety the RFP if any of these actions is deemed by the DCSEU, in its sole discretion, to be in the DCSEU's best interest. The DCSEU will not reimburse costs incurred by bidders in preparing responses to this RFP.

## **VIII. PREPARING AND DELIVERING A RESPONSE**

For ease and efficiency of review, the DCSEU has specified the requirements for submitting a response to this RFP. **Bidders must follow exactly, and be responsive to, ALL requirements of this RFP.** The proposal should be clear and concise, and presented in the form of a written response with sections and sub-headings. Resumes, drawings, and specification sheets are not counted toward page limits and should be included as appendices. It is the bidder’s responsibility to provide all specified materials in the required form and format. **Proposals that are not in the required format or incomplete may be disqualified at the DCSEU’s sole discretion.**

Proposals to this RFP must be *submitted* **through the DCSEU Contractor Web Portal** no later than **5:00 p.m. EST on December 2<sup>nd</sup>, 2022**

### IX. RESPONSE REQUIREMENTS (MINIMUM REQUIREMENTS)

Bidders are required to propose, and will be scored upon, seven individual criteria summarized in Table 3. Every bidder is required to include a **Bid Summary Table** based on **Table 3** below with the specific value or information they propose for each of the seven listed criteria. The Bid Summary Table shall be presented as part of the proposal’s executive summary.

The total proposal shall not exceed 25 pages, not including appendices that may contain resumes, site information, or certificates and licenses. Page limits for some of the individual sub-sections are also listed below Table 3.

**Table 3: Response Summary, Evaluation Criteria, and Points**

Category/Criteria	Description	Points
<b>A. Households, capacity, and costs</b>		<b>Up to 55</b>
1. Total SfA residential net metered PV systems proposed (minimum of 20 Households) for the minimum Operating Period	<ul style="list-style-type: none"> <li>• Number of single-family net metered systems proposed to be installed.</li> <li>• Total kW capacity for each household, incentive paid will not exceed 5 kW per PV system.</li> <li>• Extra points awarded to bidders who can commit to providing the DCSEU with a list of projects that meet the project and income eligibility requirements set forth above. All bidders shall disclose in their response the number of eligible pre-qualified households they can commit to providing the DCSEU.</li> </ul>	Up to 25

Category/Criteria	Description	Points
	Subcontract awards may be conditioned upon a contractual commitment to provide the minimum number of eligible income-qualified households listed in bidder's response.	
2. Requested price per watt incentive	<ul style="list-style-type: none"> <li>Incentive price per watt included in proposal for completion of the Scope of Work. (Not to exceed \$1.50/Watt).</li> </ul>	Up to 30
<b>B. Team experience and quality</b>		<b>Up to 35</b>
3. Operating capacity deployed and documentation of system performance	<ul style="list-style-type: none"> <li>Total capacity of solar developed by bidder that is operational in Washington, DC and across the country.</li> <li>Method and documentation of the performance of capacity listed above that has operated and delivered at 90%+ of expected output.</li> </ul>	Up to 10
4. Prior Experience	<ul style="list-style-type: none"> <li>Bidder's years of experience designing and building PV systems that meet or exceed industry standards; bidder's past performance in the SfA programs (DCSEU SfA Program or DOEE SfA Innovation &amp; Expansion Grants) will be considered as a part of this scoring criterion, if applicable. Bidder must provide: <ul style="list-style-type: none"> <li>A minimum of three (3) references for similar work performed within the past three (3) years. The DCSEU will contact bidder's references to obtain or validate information about bidder's past performance. Bidder shall include the following information for each reference: customer name, contact information, location of project, total capacity, project</li> </ul> </li> </ul>	Up to 15

Category/Criteria	Description	Points
	<p>timeline, and any other relevant information.</p> <ul style="list-style-type: none"> <li>○ A completed past performance evaluation form attached as <b>Exhibit B</b>.</li> </ul>	
5. Project Team	<ul style="list-style-type: none"> <li>● Composition of bidder’s team. As noted above, bidders must include a detailed description of bidder’s team, including a detailed description of any financing partners or lower-tier subcontractors and their local business status with supporting documentation.</li> <li>● Contribution of bidder to the DCSEU SfA Program. Bidder must include a description of any portions of the scope of work that will be subcontracted to lower-tier subcontractors. Prime bidders are expected to contribute in a meaningful way to the DCSEU SfA Program (i.e., installation or operation and maintenance) and will be scored based on the portion of the work performed by them.</li> <li>● Bidder should provide documentation, such as partner agreements or contracts, that demonstrate the relationships between the bidder and the various team members, and the work to be performed by each member of bidder’s team.</li> </ul>	Up to 10
<b>C. Innovation</b>		<b>Up to 10</b>
6. Open ended to encourage proposers to propose favorable innovations	<ul style="list-style-type: none"> <li>● Examples include job training, siting where there are grid benefits, inclusion of efficiency or onsite storage as part of the overall project, SREC ownership transferred to the</li> </ul>	Up to 10

Category/Criteria	Description	Points
	homeowner after 10 years, system ownership transferred to the homeowner after the Operating Period, or continued provision of net metering credits at no cost to the homeowner after the Operating Period.	
<b>D. Certified Business Entities</b>		<b>Up to 12</b>
7. Categories for Certified Business Enterprises in the District, based on certification by the Department of Small and Local Business Development (DSLBD)	<ul style="list-style-type: none"> <li>CBE and SBE points for the prime bidder (see Note below).</li> </ul>	Up to 12
	<b>TOTAL POINTS AVAILABLE</b>	<b>112</b>

Note: There are eight individual subcategories for which the prime bidder may earn DC-based Certified Business Enterprise (CBE) preference points. These are:

- Small business enterprise (SBE) and/or Woman owned business enterprise (WBE) certified by the DC DSLBD (**3 points**);
- Resident-owned business (ROB) certified by DC DSLBD (**5 points**);
- Longtime resident business (LRB) certified by DC DSLBD (**5 points**);
- Local business enterprise (LBE) certified by DC DSLBD (**2 points**);
- Local business enterprise with its principal offices located in an enterprise zone (DZE) certified by DC DSLBD (**2 points**);
- Disadvantaged business enterprise (DBE) certified by DC DSLBD (**2 points**);
- Veteran-owned business (VOB) certified by DC DSLBD (**2 points**); and
- Local DC manufacturing business enterprise (LMBE) certified by DC DSLBD (**2 points**).

Notwithstanding the availability of the preceding preferences, the maximum total preference to which a Certified Business Enterprise is entitled to is twelve (12) points. As outlined in Table 3, Criterion D.7, there will be points awarded to prime bidders that are Certified Business Enterprises.

**EVALUATION CRITERIA**

This is a competitive solicitation. Proposals will be assessed and scored in accordance with the scoring criteria outlined in Table 3 above. Each proposal should

contain the bidder's most favorable costs and output commitment terms. The DCSEU reserves the right to evaluate proposals on criteria not listed above.

The DCSEU will evaluate all proposals to determine which bidders are best suited for providing the desired services. The DCSEU may request additional information from one or more bidders and may request personal interviews with the highest-ranked bidders.

## PROPOSAL ELEMENTS

Below is a list of the categories that must be included in bidder's proposal. Please see Table 3 above for a detailed description of the individual scoring criteria.

- A. **Company Information:** Name of the business, contact person, and contact information, including full legal name, address, telephone, mobile telephone number, fax number, e-mail address, and website address, as applicable.
- B. **Company Profile:** Provide a brief company profile, not exceeding 500 words.
- C. **Statement of Ownership:** Describe the type of business entity (sole proprietorship, corporation, LLC, or other), and list the majority and minority owners.
- D. **Bid Summary Table:** Include proposed values or summary information for each of the seven scoring criteria listed in Table 3 above. (The values that a bidder provides in the bid summary table are its proposed values, which will not be binding on the DCSEU. The DCSEU in its sole discretion will determine the final values to be assigned to the proposal for each criterion.)
- E. **Binding Transmittal Letter** (1 page maximum): Each proposal must include a binding transmittal letter signed by a party authorized to obligate the bidder to the services described in the proposal. The letter must clearly identify the person authorized to serve as the prime bidder representative for future communications regarding the response. The letter must state that the response is valid for 90 days.
- F. **Project Financials** (5 pages maximum): Each proposal must include for the projects a high-level budget and pro forma to install the PV systems and perform operations and maintenance during the Operating Period (i.e., 20 years), and a narrative for the project financials. This section of the proposal must include:
  - Anticipated term and value for the SRECs;
  - Estimate of total installed cost per watt (direct current);

- Estimate of module price per watt (direct current); and
- Statement of whether the projects expect to monetize the investment tax credit and modified accelerated depreciation.

The project financials narrative should explain each budget and pro forma line item. The explanation should allow a reviewer to understand why expenditure levels were chosen and how the line-item amounts were derived. The narrative should list the principal assumptions made in the project financials.

**G. Households, Capacity, and Costs** (3 pages maximum): This section of the response must clearly explain the number of households, the amount of capacity, and the expected electrical output from the PV system(s) the bidder plans to develop and maintain under the SfA Single-Family Program. This includes the electrical output over the Operating Period bidder will supply and the requested incentive price per watt. Bidder must also include the minimum number of income-qualified households bidder can commit to providing the DCSEU.

**H. Qualifications and Team Experience** (5 pages maximum): This section of the proposal must demonstrate the team experience and quality of the prime bidder and any other team members to successfully design, install, and have PV systems operational as outlined above.

Provide details on the roles and responsibilities of key personnel and team members, including lower-tier subcontractors. Experience includes the total number, capacity, and costs for PV systems that have been installed and a listing of contractor licenses, certifications, and trainings. In particular, include experience with projects in the District and projects serving single family income-qualified households. A bidder is required to disclose all lower-tier subcontractor(s) and must notify DCSEU, in writing, if there are changes to bidder's team. A bidder must obtain DCSEU approval in writing prior to making any changes to its team.

For the prime bidder, the qualifications shall indicate the total capacity of PV systems placed in operation, descriptions of most recent installations, and at least three references from projects with systems of similar type and/or size to what is being proposed for this solicitation. For the reference projects include:

- Project capacity;
- Total installed cost;
- Location and year completed;

- Estimated and actual output kWh/kW/year; and
- Reference’s contact name, email, and phone number.

I. **Proposal Exceptions Summary Form:** Bidders are strongly encouraged to review the FY23 subcontract template (see **Exhibit A**) and return the Proposal Exception Summary Form (see below) with their proposal listing any exceptions bidder anticipates requesting to the Subcontract. Failure to note exceptions on the Proposal Exception Summary Form will not disqualify potential bidders; however, this may delay the subcontracting process and could result in a reallocation of funds if the DCSEU is unable to negotiate and execute a subcontract with a successful bidder in a timely manner.

**Table 4: Proposal Exceptions Summary Form**

RFP/ Subcontract Reference	Bidder’s Proposal Reference	Brief Explanation of Exception
(Reference specific outline point to which exception is taken)	(Page, section, items in bidder’s proposal where exception is explained)	(Short description of requested exception)
1.		
2.		

J. **Innovation** (2 pages maximum): This category is open to bidders to identify and offer innovative elements favorable to the District and its residents and ideas that support sustained progress towards SfA targets and general solar market development. Examples include, but are not limited to, job training, siting where there are grid benefits, inclusion of efficiency or onsite storage as part of the overall project, and unique homeowner benefits that may be provided, such as SREC ownership transferred to the homeowner after 10 years, system ownership transferred to the homeowner after the Operating Period, or continued provision of net metering credits at no cost to the homeowner after the Operating Period.

K. **Evidence of CBE (SBE) Status:** Provide a current copy of your DC DSLBD certification(s), if any. Preference will be given only to businesses certified by DC DSLBD as described in Table 3, Criterion D.7.

- L. **Licenses:** Provide proof of basic business license(s) and/or all applicable license(s) required to perform the services, including a DC Business License and a DC Clean Hands Certificate. Licenses must be current. A bidder shall also provide the same information for any lower-tier subcontractors.
- M. **Financial Solvency:** Before awarding subcontracts, the DCSEU will evaluate financial statements to determine a selected bidder's financial solvency. Determination will be made on a "qualified or not qualified" basis at the sole discretion of DCSEU. Points will not be awarded for this criterion. Those bidders who are determined "not qualified" based on financial solvency may be required to submit additional documents.

Financial statements and other documents on bidder's financial solvency:

- a. **Must be sent by email to [ajohnson@dcseu.com](mailto:ajohnson@dcseu.com) and received by the DCSEU no later than **December 2<sup>nd</sup>, 2022, at 5:00pm EST**. Bidders that do not submit financial statements by the above deadline may be disqualified at the DCSEU's sole discretion.**
  - b. Must include one (1) balance sheet and profit loss summary for the last calendar or fiscal year. Financial documents submitted will not be returned, so bidders shall retain duplicate original documents. Financial documents must be signed and dated by a company representative. This is required information.
- N. **Certificate of Insurance:** Supply a copy of a current Certificate of Insurance showing, at a minimum, General Liability, Auto, and Workers Compensation Insurance. If awarded a subcontract, the bidder will also be required to provide a final certificate of insurance naming VEIC and the Government of the District of Columbia as additional insureds, and that includes any additional insurance requirements that may apply. The Certificate of Insurance shall be provided directly to the DCSEU by the insurance broker or agent and shall include a requirement that the DCSEU be notified in writing by the insurance broker or agent of any and all changes to the policy during the period of coverage noted herein. A successful bidder will be required to maintain the types of insurance coverage listed in Exhibit C for the term of the subcontract. **Neither the District nor VEIC will make any separate measure or payment for the cost of any required insurance. Bidder will include all the costs of complying with the minimum insurance requirements in bidder's price per watt.**

**O. Disclosure of any Pertinent Litigation:** A bidder must disclose any past or pending judgments, lawsuits, actions, bankruptcies, or regulatory decisions or information that may adversely affect the bidder's ability to meet any requirements of this RFP, the subcontract, or the bidder's proposal. A bidder must provide a detailed description of any of the above events and the applicable case number in its proposal.

This disclosure obligation is an ongoing material obligation that applies from the date of proposal submission through the expiration of any resulting subcontract award. Failure to disclose pertinent litigation may result in the disqualification of a bidder's proposal.

**P. Confidentiality:** All proposals and information submitted by bidder ("bidder's response") to this RFP will be subject to disclosure under the District of Columbia Freedom of Information Act ("FOIA").<sup>6</sup> A bidder's response may be released pursuant to a freedom of information request, with redactions based on FOIA exemptions from disclosure. If bidder's response includes information or materials considered by bidder to be confidential, bidder shall clearly mark such sections and provide a written explanation for each marked section. The written explanation must address the confidential nature of each marked section and an explanation of the harm that would occur if disclosed. Under no circumstance can the entire response or price information be marked as confidential. The final determination as to whether to release information subject to FOIA will be made by the District's Government.

**Q. Information Security:** Please review the Information Security Requirements listed in Exhibit D and provide a complete Information Security Questionnaire (available for download with this RFP) with your proposal. Any exceptions or requests to negotiate terms should be included in your proposal. If you have questions about completing the Information Security Questionnaire, please contact the DCSEU.

## RESPONSE SUBMISSION

The DCSEU welcomes all qualified bidders to respond to this RFP. All proposals must be submitted through the DCSEU Contractor Web Portal (<https://portal.dcseu.com>) by the deadline specified above. Bidders may request a copy of the DCSEU's Solicitation Guide for the Contractor Web Portal by sending an email to [proposals@dcseu.com](mailto:proposals@dcseu.com).

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<sup>6</sup> D.C. Official Code § 2-531 *et seq.*

To submit a proposal, new bidders must request an account by completing the username account request form available at <http://www.dcseu.com/about/rfq-profile-request-form>. The DCSEU will process the request within two business days or sooner, when possible. Returning bidders may use their existing account. If you have forgotten your username, please contact [WebPortalHelp@DCSEU.com](mailto:WebPortalHelp@DCSEU.com).

Proposals that are not in the required format, incomplete, or not submitted by the proposal deadline may be disqualified. The DCSEU reserves the right, in its sole discretion, to waive any non-substantive administrative or technical irregularities in any non-conforming responses.

Bidders that fail to submit financial statements to [ajohnson@dcseu.com](mailto:ajohnson@dcseu.com) as required in Section IX.M above may be disqualified at the DCSEU's sole discretion.

Contracting Office  
Attn: Angel Ly  
DC Sustainable Energy Utility  
1 M Street SE 3rd floor  
Washington, DC 20003  
E-mail: [proposals@dcseu.com](mailto:proposals@dcseu.com)  
Web: [www.dcseu.com](http://www.dcseu.com)

[RFP Exhibit List:](#)

[Exhibit A: FY23 Single-Family Subcontract Template](#)

[Exhibit B: Past Performance Evaluation Form](#)

[Exhibit C: Minimum Insurance Requirements](#)

[Exhibit D: Information Security Requirements \(Questionnaire available for download with this RFP\)](#)

[Exhibit A](#)  
[FY23 Single-Family Subcontract Template](#)

[Exhibit B](#)  
[Past Performance Evaluation Form](#)

Past Performance Evaluation Form

**INSTRUCTIONS:** Bidders will complete this form differently depending on whether they participated in the FY22 SfA Single-Family program:

- **FOR BIDDERS WHO PARTICIPATED IN THE FY22 SFA SINGLE-FAMILY PROGRAM:**

Complete Table C-1 below using all your FY22 SfA SF projects.

- List each of your FY22 SfA SF projects under the first column, "Project Name"
- For each milestone,
  - Provide the original due date for that milestone based on the first version of the FY22 SfA SF Subcontract Attachment C in which each project initially appeared, and
  - Provide the date each milestone was completed, using the date of the corresponding incentive invoice submitted to DCSEU requesting payment.
- You may include 1-2 pages of narrative to provide additional context or explanation for the dates in the table.
- In the example below, the "Jane Doe" project was brought into SfA at the start of the FY22 program year. It achieved Milestones 2 and 4 per the original due date for those milestones, but Milestone 3 was slightly delayed.

Table C-1

Project Name	Milestone 1		Milestone 2		Milestone 3	
	Due Date	Complete Date	Due Date	Complete Date	Due Date	Complete Date
<i>Ex. Jane Doe</i>	<i>3/31/2022</i>	<i>3/31/2022</i>	<i>5/10/2022</i>	<i>5/31/2022</i>	<i>8/16/2022</i>	<i>8/16/2022</i>

- **FOR BIDDERS WHO DID NOT PARTICIPATE IN THE FY22 SFA SINGLE-FAMILY PROGRAM:**

Complete Table C-2 below using up to five of your most recently completed projects.

- List each project under the first column, "Project Name"
- For each milestone,
  - Provide the original due date for that milestone based on your initial agreement with the client or initial internal project development schedule, and
  - Provide the date each milestone was completed.
- You may include 1-2 pages of narrative to provide additional context or explanation for the dates in the table, as well as any additional narrative required to explain the project development activities represented by each milestone (e.g., "the first milestone for the John Doe project was Notice to Proceed, which

required...”). You may also use only the narrative portion to satisfy this requirement, but only if you feel you are unable to complete the milestone table provided and provide an explanation why the table does not apply.

- If you were awarded funds in a prior SfA program year (i.e., received a “Notice of Intent to Award”) but ultimately did not sign a subcontract or complete the program, please note this in your narrative and explain why the cause(s) for this no longer apply.
- In the example below, the “John Doe” project was not done under SfA, therefore its milestone structure did not align with the SfA program. This project only had two milestones: Notice to Proceed, which was due and achieved by 4/30/2022, and ATO, which was due by 8/31/2022 but was completed 9/30/2022. The “Jill Doe” project was also not done under SfA and only had one milestone, ATO, which was due by and achieved on 7/31/2022.

Table C-2

Project Name	Milestone		Milestone		Milestone	
	Due Date	Complete Date	Due Date	Complete Date	Due Date	Complete Date
<i>Ex. John Doe</i>	<i>4/30/2022</i>	<i>4/30/2022</i>	<i>8/31/2022</i>	<i>9/30/2022</i>	<i>N/A</i>	<i>N/A</i>
<i>Ex. Jill Doe</i>	<i>7/31/2022</i>	<i>7/31/2022</i>				

## Exhibit C: Minimum Insurance Requirements

- a. **Minimum Insurance Coverages.** Before commencing the Subcontract Scope of Services, Subcontractor will provide a Certificate(s) of Insurance to VEIC to show that the following minimum insurance coverages are in effect:
- i. **Commercial General Liability Insurance.** Subcontractor shall provide evidence satisfactory to VEIC with respect to the Services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate; bodily injury and property damage including, but not limited to: premises-operations; broad form property damage; products and completed operations; personal and advertising injury; and contractual liability and independent contractors; however, for subcontracts under \$100,000, Subcontractor may instead provide evidence satisfactory to VEIC with respect to the Services performed that it carries \$1,000,000 in Umbrella and Liability Insurance. The policy coverage will be primary and non-contributory with any other insurance maintained by the District and VEIC, and will contain a waiver of subrogation, as set forth in Section 7.f. Subcontractor will maintain completed operations coverage for five (5) years following the end of the Subcontract Operating Period (See Exhibit A, Section 3).
  - ii. **Automobile Liability Insurance.** Subcontractor shall provide automobile liability insurance to cover all owned, hired, or non-owned motor vehicles used in conjunction with the performance of this Subcontract. The policy shall provide a \$1,000,000 per occurrence combined single limit for bodily injury and property damage. The automobile liability insurance must be held by Subcontractor and not its individual employees.
  - iii. **Workers' Compensation Insurance.** Subcontractor shall carry Workers' Compensation insurance, and with respect to such insurance, Subcontractor shall comply with the statutory mandates of the District of Columbia and any other jurisdiction in which the Subcontract is performed.
  - iv. **Employer's Liability Insurance.** Subcontractor shall provide employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.
  - v. **Crime Insurance (3<sup>rd</sup> Party Indemnity).** Subcontractor shall provide a 3<sup>rd</sup> Party Crime Policy to cover the dishonest acts of Subcontractor's employees which result in a loss to VEIC or the District. The policy shall provide a limit of \$1,000,000 per occurrence.
  - vi. **Cyber Liability Insurance.** Subcontractor shall provide Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim and \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Subcontractor in this Subcontract and shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft,

damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

- vii. **Professional Liability Insurance (Errors and Omissions)**. Subcontractor shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Subcontract. The policy shall provide limits of \$1,000,000 per occurrence for each wrongful act and \$2,000,000 annual aggregate.
  - viii. **Sexual/Physical Abuse and Molestation**. Subcontractor shall provide evidence satisfactory to VEIC and the Contracting Officer with respect to the Services performed under this Subcontract that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate. This insurance requirement will be considered met **if the general liability insurance includes sexual abuse and molestation coverage as a separate endorsement for the required limits** as evidenced on its Certificate of Insurance.
  - ix. **Umbrella or Excess Liability Insurance**. Subcontractor shall provide umbrella or excess liability (which is excess over employer's liability, general liability, and automobile liability) insurance as follows: \$3,000,000 per occurrence. All liability coverage must be scheduled under the umbrella and that the combined limits of the above required policies should be no less than \$3,000,000 aggregate. However, for subcontracts under \$100,000, Subcontractor may instead provide evidence satisfactory to VEIC with respect to the services performed that it carries \$1,000,000 in Umbrella and Liability Insurance.
- b. **Certificates of Insurance Requirements**. The Certificate(s) of Insurance shall name VEIC and the District as additionally insured parties as their interests may appear on all liability policies and provide a waiver of subrogation in favor of the additional insured to the fullest extent allowable under all policies and under the law. In no event will any Services be performed until the required Certificate(s) of Insurance signed by an authorized agent or broker of the insurer(s) have been provided to and accepted by VEIC. All insurance will be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and that have an A.M. Best Company rating of A-VIII or higher.
- c. **Cancellation Notice; Duration**. All policies will provide that VEIC and DOEE will be given thirty (30) days prior written notice from the insurance carrier in the event the stated limit in the declarations page of the policy is reduced via endorsement or the policy is canceled prior to the expiration date shown in the certificate. It is the responsibility of Subcontractor to maintain current Certificate(s) of Insurance on file with VEIC through the Performance Period of this Subcontract. Subcontractor will provide VEIC and DOEE with ten (10) days prior written notice in the event of non-payment of premium. Subcontractor shall maintain these insurance policies during the Subcontract Construction Period and for a period of five (5) years following the

Subcontract Construction Period. Notwithstanding the aforementioned, Subcontractor shall maintain Commercial General Liability Insurance for a period of five (5) years following the Subcontract Operating Period.

- d. **Liability**. These are the required minimum insurance requirements established by the District and VEIC. However, the required minimum insurance requirements provided above will not in any way limit Subcontractor's liability under this Subcontract.
- e. **Subcontractor's Property**. Subcontractor is solely responsible for any loss or damage to its personal property and its subcontractors, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment.
- f. **Waiver of Subrogation**. To the fullest extent allowable under all policies and under law, Subcontractor and its insurers hereby waive all rights of subrogation against the District and VEIC, and each of their respective directors, officers, employees, agents, and representatives. Subcontractor shall include a waiver of subrogation in favor of the District and VEIC on its Certificate of Insurance, and, if requested, shall furnish copies of endorsements as further evidence of a waiver of subrogation.
- g. **Measure of Payment**. Neither the District nor VEIC will make any separate measure or payment for the cost of any required insurance. Subcontractor will include all of the costs of such insurance in Subcontractor's incentive price per watt specified in **Attachment C**.
- h. **Notification and Stop Work**. Subcontractor shall immediately provide VEIC with written notice if its insurance coverage will be substantially changed, canceled, or not renewed, and shall immediately cease Services if its insurance coverage is cancelled or reduced below the minimum insurance coverages required under this Subcontract. Subcontractor may resume Services once Subcontractor (i) provides an updated Certificate of Insurance to VEIC and DOEE in compliance with the minimum insurance coverages under this Section, or (ii) the Parties execute a Subcontract amendment modifying the minimum insurance requirements as outlined in Section 29.a.
- i. **Submission Requirements**. Subcontractor will submit a Certificate(s) of Insurance to VEIC giving evidence of the required coverage and limits as specified in this Section 7 prior to commencing Services. Unless and until a Certificate(s) of Insurance is submitted to VEIC and DOEE that complies with the requirements of this Section 7, Subcontractor shall not commence the Services hereunder, and VEIC shall be under no obligation to pay any invoices submitted by Subcontractor for work and Services performed before the required Certificate(s) of Insurance is submitted. **VEIC and DOEE also reserve the right to request full copies of Subcontractor's insurance policies and/or endorsements to verify compliance with the requirements of this Section 7.**
- j. **Disclosure of Information**. Subcontractor agrees that the District and VEIC may disclose the name and contact information of its insurers to any third party presenting a claim for any damages or claims resulting from or arising out of the Services

performed by Subcontractor, its agents, employees, or subcontractors under this Subcontract.

- k. **No Warranty as to Coverages; Failure to Maintain Insurance.** No warranty is made by VEIC or the District that the coverages and limits listed herein are adequate to cover and protect the interests of Subcontractor for Subcontractor's operations. The required coverages are solely minimums that have been set to protect the interests of VEIC and the District. None of VEIC's or the District's insurance coverage will apply to Subcontractor. IN NO EVENT WILL VEIC OR THE DISTRICT BE LIABLE TO SUBCONTRACTOR FOR SUBCONTRACTOR'S FAILURE, AND/OR ITS SUBCONTRACTOR'S FAILURE, TO MAINTAIN ADEQUATE INSURANCE.
  
- l. **Broader Coverage; Higher Limits.** If Subcontractor and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown above, VEIC and the District shall be entitled to the broader coverage and/or the higher limits maintained by the Subcontractor and its subcontractors.

## Exhibit D

### VEIC's Information Security Requirements

Vermont Energy Investment Corporation and its individual operating companies, divisions, subsidiaries, and affiliates (collectively, "VEIC") must ensure that access to its information systems, networks, facilities, and other resources (collectively, "VEIC Systems") and its data is appropriately controlled and that these resources are adequately protected. This includes access by vendors, other third parties and their respective employees, agents, subcontractors, and representatives (collectively, "Vendors" and each individually, a "Vendor").

VEIC's Information Security Requirements document (this "VISR") sets forth the obligations that apply to Vendors that receive access to (i) VEIC Systems, (ii) VEIC Data (as defined below) and/or (iii) VEIC premises in connection with receipt of access to VEIC Systems and/or VEIC Data, when engaged in business with any VEIC entity. This VISR supplements the terms and conditions set out in any agreement between Company and Vendor to which this VISR is attached or that otherwise incorporates this VISR by reference (the "Agreement"). VEIC Systems and VEIC Data are confidential information of VEIC. For purposes of this VISR, "VEIC Data" means personally identifiable information / personal information of VEIC's customers or associates, protected health information, payment card information, and any other confidential or restricted information or data of VEIC that if disclosed to the public or unauthorized parties (including competitors) is likely to cause significant harm or competitive disadvantage to VEIC (e.g., trade secrets, marketing plans, financial information, budgets, IP (internet protocol) addresses and IP ranges, strategic plans, employee compensation and performance information).

#### **1. General Obligations**

If Vendor is provided with access to VEIC Data or VEIC Systems as part of its engagement with Company, Vendor shall for the entire duration of the engagement:

- a) Always maintains a comprehensive and formally documented information security program that:
  1. is based on a reputable information security standard;
  2. complies with applicable laws, regulations, and contractual obligations;
  3. includes appropriate administrative, technical, physical, organizational, and operational safeguards and other security measures designed to:
    - i. establish minimum required standards related to the safeguarding of Vendor data and VEIC Data contained in both paper and electronic records;
    - ii. protect the security and confidentiality of Vendor data and VEIC Data in a manner consistent with applicable industry standards;
    - iii. protect against any anticipated threats or hazards to the security or integrity of Vendor data and VEIC Data; and
    - iv. protect against unauthorized processing, loss, use, disclosure, or acquisition of or access to any Vendor data or VEIC Data; and upon Company's request, provide a summary or overview of this security program and/or a written confirmation that an assessment of Vendor's information security program has been conducted by an independent assessor and that any discovered

program deficiencies have been remediated;

- b) cooperates with security audits/assessments/testing as may be periodically requested by Company (and no more than annually unless a problem is identified) upon prior written notice to Vendor, to be performed by or on behalf of Company to confirm Vendor's compliance with this VISR; provided that such audits/assessments shall be conducted at a time(s) mutually agreed by the parties, during Vendor's normal business operations, in a manner minimally disruptive to Vendor's business, and subject to reasonable confidentiality requirements consistent with the confidentiality provisions in the Agreement;
- c) ensures that Vendor personnel or representatives that receive access to VEIC Data are competent, properly trained in information security matters, and understand Vendor's obligations under this VISR;
- d) ensures that Vendor personnel are assigned unique authentication credentials, such as usernames, passwords, digital certificates, tokens, and smartcards, for access to VEIC Data, and that these credentials are handled with the utmost care and confidentiality to prevent unauthorized disclosure or misuse;
- e) ensures that, unless expressly authorized in writing by Company, no VEIC Data shall be permanently stored on laptops that are not equipped with full hard drive encryption, and that no VEIC Data is stored on or accessed by USB drives, mobile devices, or any other portable storage media belonging to Vendor or Vendor personnel;
- f) grants access to VEIC Data only on a need-to-know basis, and not distribute such VEIC Data outside the purpose of the engagement;
- g) have effective and up-to-date endpoint protection in place, which includes capabilities for dynamic exploit protection, dynamic malware protection, mitigation, remediation, and forensics, on all Vendor systems that are used to access VEIC Data;
- h) upon termination of the engagement, upon request of Company, or at any such other time as may be required by applicable law, securely return, securely destroy or render unreadable or undecipherable all VEIC Data provided to Vendor that remains in Vendor's possession or control, and provide Company with a written certification that such return or alternate action has occurred;
- i) notifies Company of any unauthorized use of, disclosure of, or access to VEIC Systems or VEIC Data, or any failure to comply with this VISR, promptly and in no event more than twenty-four (24) hours after Vendor confirms such prohibited activity and shall cooperate with Company in taking necessary or advisable corrective actions; and
- j) In the event that the Vendor, pursuant to applicable law or regulation or legal process, is requested or required to disclose VEIC Data, the Vendor shall provide the Company with prompt notice of such requirement in order to enable the Vendor to confer with the Company concerning the steps that may be taken to reduce the extent of VEIC Data that must be disclosed and/or to enable the Company to seek an appropriate protective order or other remedy reducing the extent of VEIC Data that must be disclosed. In any event, the Vendor shall disclose only such VEIC Data that the Vendor is advised by legal counsel is legally required to be disclosed in order to comply with such applicable law or regulation or legal process (as such may be affected by any protective order or other remedy obtained by the Company) and shall use reasonable efforts to ensure that all VEIC Data is so disclosed will be

accorded confidential treatment.

## **2. Access to VEIC Systems**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor is provided access to VEIC Systems. In these situations, Vendor shall:

- a) ensure that requests to grant Vendor access to VEIC Systems follow approved, formal processes and adhere to the “least privileged access principle” (i.e., access to information resources must be limited to only those individuals whose job requires such access, and access to information resources must be prevented unless explicitly allowed);
- b) ensure that all remote access to VEIC Data by Vendor personnel or representatives is secured using multi factor authentication via a secure method or another authentication mechanism as agreed upon with VEIC;
- c) ensure that Vendor personnel shall not attempt to gain access to any VEIC Systems that are not specifically related to fulfilling the purpose of the engagement;
- d) ensure that system access provided to Vendor personnel is promptly terminated (i) upon termination of the engagement with Vendor, (ii) when Vendor personnel change functions and no longer require access, (iii) when Vendor personnel are no longer assigned to Company’s account or, (iv) when for any reason, access is no longer required; and
- e) accept and agree that, if and while Vendor personnel are using any VEIC Systems, system activity (e.g., system events, unauthorized log-in attempts or unauthorized transmissions of confidential information) may be subject to monitoring, to protect Company information assets, to the extent allowed by law and pursuant to all reasonable security instructions and VEIC policies or guidelines.

## **3. Access to VEIC Premises**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor is provided physical access to any non-public areas in Company’s location or premises and receive access to VEIC Systems or VEIC Data. In these situations, Vendor shall ensure that Vendor personnel will:

- a) comply with guidance and policies provided by the Company, verbally or in writing, with regard to building safety and security, while working on site at Company’s premises;
- b) not attempt to gain access to any Company facilities or areas within those facilities that are not specifically related to fulfilling the purpose of the engagement;
- c) treat security and identification devices (such as access badges) provided to them by Company with the utmost care and confidentiality to prevent unauthorized access;
- d) ensure that Vendor personnel shall have available a valid photo ID at all times while on Company premises and shall present such identification upon request of Company personnel; and
- e) refrain from interfering with VEIC’s network and infrastructure or causing any damage or threat to such network and infrastructure.

## **4. Housing Services, Hosting Services and Cloud Services**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor provides facilities that host Company infrastructure (e.g., data centers), provides facilities and infrastructure for Company to manage and store its data, provides facilities and infrastructure to host supplier-provided IT solutions, or provides professional services that support the deployment and ongoing management of externally-hosted (not within Company facilities) information resources. If Vendor is providing any of these services to Company, Vendor shall:

- a) comply with the SOC 2 control framework and regulations, or a similar control framework with at least an equal security standard;
- b) periodically provide Company (at least annually) with an unqualified SOC 2 (Type II) examination in accordance with the Association of International Certified Public Accountants (AICPA) AT Section 101, or any successor or equivalent standards, by qualified, independent auditors engaged and compensated by Vendor, covering Vendor's controls and systems relating specifically to all aspects of the services provided ("SOC 2 Report");
- c) provide security operational integration such as logs, monitoring and remediation, for integration with VEIC's SOC requirements; and
- d) ensure that all confidential data is encrypted in transit and at rest.

## **5. Developing or Maintaining Software**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor develops and/or maintains software for Company as part of the engagement. In these situations, Vendor shall:

- a) maintain a secure Systems Development Life Cycle (or "SDLC") process, including at a minimum:
  1. evidence of a secure code review process;
  2. periodic application penetration test executed by a specialized third party;
  3. a procedure that results in timely resolution of all discovered high and medium risk vulnerabilities (using the Common Vulnerability Scoring System (or "CVSS"))
  4. a security checkpoint in change management
  5. if a web/internet-based application – ensure staff is trained on, and adhere to secure coding principles described in Open Web Application Security Project® (OWASP) Secure Coding Guidelines that covers, but not limited to:
    - i. input validation
    - ii. output encoding
    - iii. authentication and password management
    - iv. session management
    - v. access control
    - vi. cryptographic practices
    - vii. error handling and logging
    - viii. data protection
    - ix. communication security
    - x. file management
    - xi. memory management
    - xii. general coding practices.

b) apply the following measures in accordance with industry best practices:

1. patch management;
  2. vulnerability assessment;
  3. strong access control;
  4. logging; and
  5. system hardening.
- c) provide to Company, upon request (in the event of an incident or no more than annually), evidence that periodic application penetration tests are performed and discovered vulnerabilities are remediated; and
- d) periodically (no more than annually) provide Company with an ISO, SOC2 Type II or Type III, or similar certification reflecting the compliance of Vendor with the above obligations.

## **6. Maintaining Hardware**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor maintains hardware for Company as part of the engagement. In these situations, Vendor shall apply the following measures with respect to the hardware and peripherals it provides and/or maintains:

- a) hardware hardening according to industry best-practices or VEIC instructions; and
- b) industry standard-based security or prevention measures (anti-tampering, air gapping etc.).

## **7. Privileged Access**

Compliance with this section of the VISR is required for the entire duration of the engagement if Vendor (i) manages IT systems (hardware or software) for VEIC or (ii) is responsible for any aspect of Identity and Access Management (IAM) related to VEIC systems, including Privileged Access controls. For purposes of clarity, this Section 7 will apply only if Vendor is providing services pursuant to Sections 4, 5 or 6 above. "Privileged Access" is defined as access that provides a capability to alter the properties, behavior, or control of an information resource, change system control parameters, alter other users' access to data, or bypass or change system and security controls. In these situations, Vendor shall:

- a) Maintain and disseminate to Vendor employees a written access control policy based on reputable industry standards and the least privileged access principle.
- b) Include formal instructions for the following in Vendor's IAM procedures:
  1. Approval for, creation of and providing entitlements for privileged accounts; and
  2. Removal of Privileged Access upon termination of the engagement with Vendor, when Vendor personnel change functions and no longer require access, when Vendor personnel are no longer assigned to the VEIC account or, for any reason, Privileged Access is no longer required.
- c) Maintain a recertification cycle (validation of permissions granted) for privileged accounts that includes:
  1. Maintaining a list of Vendor personnel with Privileged Access to VEIC Systems or other IT resources that support VEIC Systems or operations;
  2. Reviewing Vendor personnel's access rights at regular intervals (at least quarterly) and after any changes, such as promotion, demotion, or termination of employment;
  3. Taking immediate action to correct any discrepancies discovered during this review; and
  4. Upon request by Company, providing reporting related to this review.
- d) Monitor and adequately log creation of and changes to privileged accounts for systems used

by, accessed by, or in-place to support Company and, upon discovery of anomalies, notify Company;

- e) Monitor and adequately log all actions performed by Vendor personnel with Privileged Access to systems used by, accessed by or in-place to support Company, report any anomalies to Company and, upon request, provide a history of all system management actions performed by Vendor personnel that could impact the confidentiality, integrity or availability of services or systems;
- f) Implement procedures for emergency access (e.g., a “break glass” account) and ensure that passwords are properly secured and changed after each use;
- g) Ensure that all Vendor personnel (including technical and functional support personnel, operators, network administrators, system programmers, and database administrators) have an individually- assigned unique identifier (user ID) that can be traced to the accountable individual;
- h) Implement controls to ensure secure log-on procedures, quality passwords, a secure authentication method, and session time-outs for inactive sessions at the network, operating system, and database level;
- i) Ensure that non-personal accounts (e.g., Admin or Root, service accounts, batch accounts, and back-up accounts) cannot be used by an individual for system access; and
- j) Where technically feasible, integrate solutions provided by Vendor with the VEIC privileged access management (PAM) solution.