



BOARD LETTER APPROVAL

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DATE: November 27, 2024

SUBJECT: Agreement No. 47857 for the Online Commercial and Residential Energy Efficient Product Marketplace Platform Services with Enervee Corporation

SUMMARY

The proposed Agreement No. 47857 (Agreement) with Enervee Corporation (Enervee) is for the Online Commercial and Residential Energy Efficient Product Marketplace Platform Services for a term of five years and a budgeted amount not to exceed \$29,000,000. The Agreement is the result of a competitive solicitation under Request for Proposal (RFP) No. 90714R1.

LADWP seeks to continue the Efficient Product Marketplace (EPM) program, which provides residential customers the ability to research, locate, purchase, and redeem rebates for energy efficient products from a single website. Similarly, this Agreement also seeks to create the Commercial Product Marketplace (CPM) program for commercial customers.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing the execution of the Agreement with Enervee.

ALTERNATIVES CONSIDERED

Developing an online marketplace requires proprietary software and expertise not possessed by LADWP employees. As a public entity, LADWP is also not able to sell

products directly to customers, of which contractual relationships are required by the contractor and retailer/manufacturer partners to offer instant purchase and rebate options. LADWP also does not have the ability to provide digital rebate payments to customers. Labor components cannot be reasonably separated from other contract elements. Using LADWP staff was considered for rebate application processing, but in-house application processing would not allow for instant purchase or rebate options.

FINANCIAL INFORMATION

The Agreement is for a term of five years and an amount not to exceed \$29,000,000. The total amount is budgeted.

BACKGROUND

This Agreement will be issued to facilitate the continuation of the residential EPM, <https://marketplace.ladwp.com/>, for energy-efficient products, as well as the creation of CPM; working title for the commercial offering. The EPM provides customers with the ability to research, locate, purchase, and request rebates for energy efficient products from a single website.

LADWP's EPM allows residential customers to shop a selection of popular energy efficient brands available for sale at physical stores and online retailers while providing pricing and available rebate information. Customers can filter through specific product categories and features, as well as compare pricing and efficiency ratings. EPM displays current selling prices for other third-party online retailers, as well as product reviews. EPM currently provides rebates in the following six household appliance categories: Air Conditioners (room and window), Refrigerators, Thermostats, Televisions, Light Emitting Diodes (LED lamps), and Advanced Power Strips. EPM also includes a selection of informational categories to assist customers in their search for energy efficient products that go beyond the scope of the Marketplace. Products that are eligible for a rebate are clearly marked, and customers also have the option of purchasing select products directly through EPM. Purchases made through EPM are eligible for a point-of-sale credit in which the rebate is applied directly to the final purchase price.

Customers who purchase qualified products from a third-party retailer can submit their LADWP account and purchase information to receive a digital rebate directly to their e-mail inbox, once their application is reviewed and approved. As the option to mail in paper rebate applications to LADWP is available to those without a computer or internet access, rebates for approved paper applications are submitted to the current contractor by LADWP for manual rebate payment in the form of a physical Visa gift card.

In 2022, EPM was expanded to add the Cool LA Marketplace, which helps our most vulnerable customers better manage the impacts of extreme heat by providing point-of-sale rebates for the purchase of qualified air conditioner units, directly from the website.

The point-of-sale rebate lessens the customer's financial burden and reduces their upfront costs.

The current EPM had approximately 190,000 unique site visits in 2022 and 225,000 unique site visits in 2021.

Under this Agreement the CPM will be designed to have similar functions to the EPM, with the added inclusion of online inventory of local Los Angeles area brick and mortar stores, when possible.

This will be LADWP's first contract with Enervee; however, LADWP has worked with Enervee under the Southern California Public Power Authority (SCPPA) Memorandum of Understanding (MOU). Enervee has performed satisfactorily under the SCPPA MOU.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. Entering into an agreement with Enervee to facilitate the continuation of the residential online marketplace for energy-efficient products and creation of a commercial product marketplace program will not result in any direct or reasonably foreseeable indirect physical change in the environment; therefore, this activity is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreement

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Enervee Corporation (Enervee)
2.	Procurement Type: Request for Proposal (RFP)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: July 25, 2023 C. Pre-Bid Conference Date: August 7, 2023 D. Bid/Proposal Due Date: September 7, 2023 E. Number of Downloads of Solicitation: 35* (31 primes, 4 subcontractor) F. Number of Bids/Proposals Received: 1 G. Protest Received: No
4.	Buyer Assigned: John de la Rosa
5.	Contract Administrator: Elvia Paulina Garcia
6.	LADWP System/Division: Power / Corporate Environmental Affairs and Distributed Energy Solutions
7.	Contact Person for Item: David Jacot

*Note: Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Evaluation Rating Summary of Proposals

Criteria	Maximum Score	Enervee Corporation
SBE/DVBE Opportunity Program	PASS	PASS
Financial Resources and Responsibility	PASS	PASS
Compliance with Minimum Requirements	PASS	PASS
Compliance with Mandatory Requirements	PASS	PASS
Qualifications and Experience	15	14.00
Past Performance Questionnaire	4	3.80
Organizational/Management Approach to the Work	10	7.33
Qualifications of Key Personnel	15	8.50
Technical Approach	20	16.67
Compliance Matrix to Technical Requirements	1	0.87
Cybersecurity Requirements	10	8.50
Fee Schedule	25	25.00
Subtotal	100	84.67
LBPP	12	0
Total	112	84.67

B. Evaluation of Proposal

LADWP received one proposal in response to RFP No. 90714R1. The proposal was evaluated by a five-person committee representing Power’s Corporate Environmental Affairs and Distributed Energy Solutions group, cybersecurity in IT, and Credit & Revenue Risk (rater from outside the end user’s organization). Enervee was determined to be qualified to provide the requested services.

A non-responsive survey was conducted to gather information from the vendor community to determine why other vendors did not submit proposals. The following responses were received.

Vendor	Reason
Accenture	Could not meet the minimum requirements.
Deloitte	Overall RFP contracting approach and internal independence governance risks.
EFI	Requirements listed were not components of our marketplace platform.
Techniart	Email notification received in customer service email inbox and was held under quarantine.

Enervee’s fee schedule was determined to be fair and reasonable based on historical pricing.

The Vendor Authentication Unit performed a full vendor authentication review on Enervee and no issues were found.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
SCPPA	Enervee Corporation	One year	2/17/2023	2/16/2024	\$6,000,000

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 10 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
SCPPA	Enervee Choice Engine recommendation platform	One year	2/17/2023	2/16/2024	\$6,000,000
49308	Closed Loop Marketing Program 2015	One year	6/30/2015	6/29/2016	\$150,000

D. Local Business Preference Program (LBPP)

The LBPP was included in this RFP. However, LBPP was not a determining factor in the evaluation and recommendation of award for this Contract.

E. Additional Outreach Efforts Taken

In addition to the original bid list, the following outreach efforts were taken:

- The RFP was posted on the City of Los Angeles Regional Alliance Marketplace for Procurement (RAMPLA) website.
- The RFP was electronically advertised on eRSP for direct download.
- A pre-proposal meeting related to this solicitation was held on September 7, 2023.

F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Participation

The minimum mandatory SBE/DVBE participation requirement set for this contract was 20 percent. Enervee Corporation committed to an overall SBE/DVBE participation of 100 percent.

Enervee Corporation is a certified SBE.