

**NEW ORLEANS CITY COUNCIL
RE-ISSUE
REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR
THE SERVICES OF AN INDEPENDENT MONITOR
IN THE
SELECTION OF A THIRD PARTY ADMINISTRATOR
BY
ENTERGY NEW ORLEANS, INC.**

In an effort to secure competitive responses to its request for qualifications for a qualified professional or firm to perform Independent Monitor (IM), and pursuant to the provisions of the Council of the City of New Orleans Motion M-09-646, dated November 19, 2009, regarding the need for an IM to independently oversee all aspects of Entergy New Orleans, Inc.'s (ENO) solicitation of interest and administration of a Request for Proposals (RFP) process and its selection and recommendation to the Council of a Third Party Administrator (TPA), and in accordance with paragraph 1 of Rule 45 of the Code of the Council of the City of New Orleans, the City Council has re-issued its solicitation requesting Statements of Qualifications from qualified individual or firm to perform such work.

I. PURPOSE

The Council of the City of New Orleans (Council), in accordance with the New Orleans Home Rule Charter and the Louisiana Constitution, acts as retail regulator for electric and gas utility services in Orleans Parish, Louisiana¹. The Council is seeking the services of a qualified individual or firm with the requisite experience and capability to serve as an Independent Monitor (IM) to independently oversee all aspects of Entergy New Orleans, Inc.'s (ENO) solicitation of interest and administration of a Request for Proposals (RFP) process and its selection and recommendation to the Council of a Third Party Administrator (TPA). The TPA will be retained by ENO, upon mutual consent by the Council, to implement, deliver, administer, and conduct measurement and evaluation of the energy conservation and demand side programs approved by the Council in Council Docket UD-08-02 (Energy Smart Plan).

Interested individuals and firms should review the scope of services hereinbelow and submit a response based on the requirements enumerated in this Request for Statement of Qualifications (RFQ).

II. BACKGROUND

On April 2, 2009 the Council adopted Resolution R-09-136 (Attachment 1 to this RFQ) in the matter of ENO's July 31, 2008 application for a change in electric and gas rates which, among other things, established the process to govern the principles to be used in Council Docket No. UD-08-02 (Docket) in the: (i) evaluation, (ii) design, (iii) implementation, (iv) delivery, (v) measurement, (vi) implementation of cost recovery and incentives, and (vii) savings goals associated with the Energy Smart Plan to be considered for final Council approval in the

¹ See Home Rule Charter of the City of New Orleans, as Amended, through February 9, 2009, at http://www.cityofno.com/Portals/Intelliport/Resources/HomeRuleCharterCNO2009_2.pdf. Further, please see the Code of Ordinances of the City of New Orleans, Louisiana, Chapter 158 Utilities, at <http://www.municode.com/resources/gateway.asp?pid=10040&sid=18>.

Docket². In compliance with Resolution R-09-136, on July 2, 2009 ENO filed with the Council a list of recommended programs³ which the Council now has under active consideration in the Docket.

III. SCOPE OF SERVICES

The key responsibilities of the IM are to ensure that the RFP development, solicitation, and evaluation process used by ENO in the selection of a qualified TPA are open and transparent, objective, non discriminatory, and impartial from the commencement of the process through the recommendation to the Council of ENO's recommended TPA candidate. The IM is to provide an objective, third-party perspective concerning ENO's TPA RFP solicitation, evaluation, selection, and contract negotiation process to ensure that it will be impartial and objective and ensure that all potential respondents to the RFP and final candidates selected for further negotiation of a scope of services and budget are treated in a consistent fashion and no undue preference is given to responses from any respondent.

The responsibilities and activities associated with this role will include oversight, review, monitoring, and reporting, and are described in the following Scope of Services.

A. General Responsibilities of IM

1. The IM shall participate in the review of ENO's design of the RFP, the RFP solicitation process, the RFP evaluation process (including methods of evaluation), the RFP selection process and perform due diligence and oversight of the RFP contract negotiation process.
2. Report as appropriate to: (i) ENO Senior Management, (ii) the Council's Utility Committee (CUC), (iii) the Council, and (iv) the regulatory advisors to the Council (Advisors) throughout the RFP process.
3. Identify any problems encountered in the RFP process and report any problems, irregularities, or concerns with the RFP process immediately to ENO Senior Management and the Advisors, with copies to the CUC.
4. Monitor ENO's response to questions, issues, and/or concerns of potential respondents during the RFP process. As needed, communicate respondent issues/concerns to the Advisors and ENO's Senior Management.
5. Submit monthly confidential reports to the Advisors and ENO during all phases of the RFP process, which include among other things, all IM recommendations made to ENO and the results of those recommendations.
6. Submit a final RFP evaluation report on the RFP process to the Council; with a copy filed in the Docket and with service to all parties and the Advisors.

² For a complete description of the energy conservation and DSM process to be employed, see paragraphs 40 through 53 of March 25, 2009 Agreement in Principle in Attachment 1.

³ For further information on ENO's filing please see <http://www.energy-neworleans.com/IRP>.

7. In carrying out its Scope of Services, the IM shall have access to any ENO or Entergy Services, Inc. (ESI) employee or employees of any of the Entergy Operating Companies who participate in the RFP process as well as data, processes, analytic tools, and any and all other information regarding the RFP process which the IM deems necessary to ensure that process is conducted in a fair and impartial manner and subject to appropriate confidentiality safeguards as may be required.
8. The IM will establish within its firm such ethical guidelines and appropriate screening procedures as are necessary to ensure that no present or future conflict of interest will arise in connection with its responsibilities contained in this RFQ. If any such issues arise, those issues will be brought promptly to the attention of the CUC.

B. RFP Development

1. The IM will review, evaluate and comment on ENO's draft RFP to assure it is reasonably designed to meet the overall and stated objectives of the Council in Resolution R-09-136 and to facilitate a robust and fair solicitation from TPA market participants.
2. As needed, the IM will make recommendations to ENO personnel to improve the RFP process.
3. The IM will review and comment on the key RFP evaluation criteria, and such other information to be included in the RFP as may be reasonably necessary to ensure that the RFP has not been designed or packaged in order to provide undue preferential treatment to any potential TPA respondent and ensure the potential participation by certified disadvantaged business enterprises.

C. RFP Solicitation, Issuance, Respondent Registration and Submission

1. The IM will review respondents' registration information received from prospective respondents and determine whether additional information is needed.
2. The IM is to receive copies of all potential respondents' Notices of Intent to Respond.
3. The IM shall attend the pre-response RFP respondents' technical conference.
4. The IM is to receive copies of all questions submitted by prospective respondents either during the pre-response RFP respondents' conference, or via ENO's RFP website, and monitor ENO to ensure timely and accurate responses are provided.

D. RFP Receipt

1. The IM will oversee receipt and handling by ENO of all responses timely received during the RFP submission period.
2. The IM shall have any access to any documentation, processes, and other information that it deems necessary to ensure that the proposal receipt process is conducted in a fair and impartial manner and subject to appropriate confidentiality safeguards to protect, among other things, proprietary information and data.

3. The IM will determine whether a non-conforming response should be rejected or whether, and if so how, the respondent should be permitted to cure the proposal.
4. The IM will verify that ENO personnel and respondents involved in the RFP process execute appropriate confidentiality agreements, to the extent required by either a respondent(s) or ENO, related to any proprietary software and/or trade secrets.

E. RFP Evaluation and Selection

1. The IM will review all proposals submitted by respondents and determine whether the responses meet the threshold requirements stated in the RFP or whether additional information is needed.
2. The IM will review and comment on the structure of the RFP evaluation teams.
3. The IM will oversee ENO's evaluation of respondents' submittals to ensure that the RFP process is objective and impartial to all respondents and that no undue preference is given any respondent.
4. The IM will monitor the evaluation by ENO's RFP response evaluation teams and will review formal quantitative and qualitative analyses performed in connection with such evaluation to ensure that the RFP evaluations are conducted in an appropriate manner.
5. The IM will review and comment on ENO's RFP response evaluation methods, analysis tools and processes, data inputs and assumptions, and price and non-price evaluation criteria, including their methods of employ. The IM will evaluate such methods, processes, data, assumptions, and criteria from the perspective of both price and non-price factors. The IM will identify any issue, concern or deficiency in such evaluation methods, processes, data, assumptions, and criteria and will recommend to ENO and the Council any changes required to address and resolve any such issue.
6. The IM will monitor credit evaluation of RFP respondents and will review formal quantitative and qualitative analyses, as necessary, to ensure an impartial and objective process.
7. If, during the evaluation process, ENO determines that it is necessary or appropriate to modify the evaluation process, including determining that a need exists for additional evaluation, or that the timing of the evaluation should be modified, the IM will review the proposed changes and provide its comments regarding same. If the IM disagrees with such supplemental or modified evaluation processes, then the IM shall be entitled to request that, in addition to the modified analyses that ENO wishes to perform, ENO also shall perform the analysis as originally contemplated.
8. The IM will monitor the adequacy and thoroughness of due diligence performed by ENO relating to all responses to the RFP received by ENO.
9. The IM will review any preliminary and final proposal rankings of RFP respondents before this information is presented by ENO to the Council. If the IM disagrees with such rankings,

selections, and awards, and such disagreement is not resolved by ENO to the satisfaction of the IM, then the IM shall set forth the nature of the dispute and the view of the IM on the issue, with appropriate support, in its final report to the Council.

10. The IM will not make decisions regarding selection of submittals for award; rather, those decisions shall be made by ENO based upon the requirements established in the RFP.
11. The IM will monitor and selectively attend negotiations between ENO and selected respondent(s) and report any problems, irregularities or concerns with the negotiations immediately to ENO Senior Executives, the CUC, with copies to the Advisors.
12. The IM will be permitted access to information regarding the due diligence and negotiation process (including periodic updates to be provided by ENO), in whatever form the IM deems necessary, in order to ensure that it is objective and impartial to all respondents and that no undue preference is given to any potential respondent and the negotiation process is conducted in a fair and impartial manner.
13. To the extent that the IM requires additional information regarding negotiations with successful respondent(s) where the IM is not in attendance, ENO will provide that information.

F. Final Report

1. At the conclusion of the RFP process, the IM shall prepare a final report⁴ for submission to the Council, complete with its conclusions and findings whether ENO's RFP process was impartial and objective and ensured that all respondents, and final candidates selected for further negotiation of a scope of services and budget, were treated in a consistent fashion and that no undue preference was given to responses from any respondent, in ENO's: (i) RFP development, (ii) solicitation, (iii) evaluation, and (iv) final contract negotiation of the TPA recommended by ENO to the Council. The IM's final report is to include any suggestions for improvement in the RFP process and shall constitute the final report of the IM. The IM will be required to present its findings at a public meeting of the CUC and, if required, to the full Council.
2. The IM's report is to be prepared independently by the IM with no TPA market participant, ENO, Entergy Operating Company, the Advisors, the Council, or ESI personnel being entitled to review or comment upon any draft thereof prior to its publication and with no party having any right to edit or alter in any way such report.
3. During the preparation of the report, the IM will not discuss any report findings or recommendations with any TPA market participant, ENO, Entergy Operating Company, the Advisors, members of the Council, or ESI personnel prior to publication, nor will any of the above entities be given an opportunity to review a pre-publication draft.
4. The IM will have the right, in its discretion, to maintain any documents it deems necessary subject to maintaining the confidentiality of such documents in accordance with the terms of the Confidentiality Agreement to be entered into by the IM with ENO.

⁴ The report will be a public document.

IV. RFQ CONTENTS

Any response to this RFQ for the performance of the services of IM must include the following, at a minimum:

1. A completed "Consulting Services Questionnaire" using the format that is contained in Attachment 2. Any subcontractors proposed to be used must also submit a completed Questionnaire that must be attached to the prime firm's Questionnaire.
 - a. Include with Questionnaire the professional experience and resumes of partners, principals and employees in the firm who will be responsible for, and actively involved in, the provision of professional services for the Council, including the appropriate evidence of accreditation, certification or licensing in the stated profession.
 - b. A description of three or more assignments which best illustrate the respondent's current qualifications relevant to the areas requested in this RFQ.
2. Demonstrated ability to provide coverage for City Council matters when the principal consultant is unavailable because of other assignments, illness, vacation or similar conflicting demands; and
3. A concise but detailed narrative indicating the proposed approach to providing the required IM Scope of Services, including the detailed tasks, timelines, and stages involved.
4. A sworn affidavit listing all persons with an ownership interest in the respondent. An "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly traded corporation. This affidavit is a public record.
5. A sworn affidavit stating that no other person holds an ownership interest in the respondent via a counter letter.
6. A list of all persons, natural or artificial, who are retained by the respondent at the time of the application and/or who are expected to perform work as sub-contractors in connection with the respondent's work. The Council of the City of New Orleans may require information on employees or sub-contractors of - or ownership interests in - the sub-contractor. This list is a public record.
7. A schedule of the respondent's professional service fees categorized by title and the respondent's expense reimbursement policy complete with a schedule of costs to be reimbursed.

V. CONFLICT OF INTEREST

Any firm or individual providing a response to the RFQ shall provide a clear and unambiguous indication of any potential or real conflicts of interest it may have with respect to performing work on behalf of the Council or its committees. For any such work performed, the respondent shall indicate the scope of the engagement, the time frame, the amount of compensation received

and why the respondent deems such work to be or not to be in conflict with the interests of advising or representing the Council.

The Council shall make the final decision as to whether any potential or real conflict of interest exists.

VI. EVALUATION CRITERIA

Upon receipt by the due date of responses to this RFQ by qualified firms, the Council's staff Selection Review Committee will evaluate all responses received based upon the criteria listed hereinbelow and in Council Rule 45 (Attachment 3 to this RFQ).

1. Requisite capability, experience and ability of the professional personnel to perform the services required by the Scope of Services in the RFQ.
2. Capability of providing consistent, timely services, as determined by information requested from references or actual experience in performing such services for the City Council.
3. Unique approaches proposed by a respondent to enhance the effectiveness of the Scope of Services presented in this RFQ in a highly cost-effective economic manner.
4. The appropriateness of the respondent's approach to the Scope of Services in this RFQ and the timeline to achieve a successful RFP process in the selection of the TPA.
5. Demonstrated clear understanding by the applicant of work to be performed.
6. Involvement at the professional level of New Orleans domiciliaries and/or involvement of certified disadvantaged business enterprises, as evidenced by government issued certification thereof.

VII. REQUEST FOR QUALIFICATION PROCESS

Except as provided hereinbelow, no written, electronic, or oral communications from potential applicants regarding the RFQ shall be made to any Councilmember, Council Staff, City employee, or Advisor to the Council during this RFQ solicitation process. Any inquiries shall be made in writing or by e-mail to the Council Chief of Staff, Room 1E06, City Hall, 1300 Perdido Street New Orleans, LA 70112 or evelynfpugh@cityofno.com.

Fifteen (15) copies of the submission, including samples of work products, must be submitted in hardcopy format by 3:00 p.m., Monday, December 21, 2009 to the City Council Chief of Staff, Room 1E06 City Hall, 1300 Perdido St., New Orleans, La. 70112. Where possible, an electronic version of the proposal should also be submitted to evelynfpugh@cityofno.com.

An evaluation committee composed of the Council Chief of Staff, the Council Research Officer, and the Council Fiscal Officer, the Council Utility Regulatory Officer and/or additional knowledgeable persons will review and evaluate the submissions, and select qualified responses for referral to the CUC. For each submission selected for referral, the staff committee will contact one or more of the persons suggested as references.

The City of New Orleans' Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee relating to the procurement of goods or services by the city, including meetings involving third party transactions. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all city meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio recorder or court stenographer may be utilized to record all selection or negotiation committee meetings attended by the Office of the Inspector General.

The report of the evaluation committee will be provided to the CUC. The CUC may interview one or more of the respondents selected by the evaluation committee. The CUC may make a recommendation to the City Council. The contractor must be selected by Motion of the Council. It is anticipated that the selection process will be completed during the winter of 2009.

VIII. ADDITIONAL INFORMATION

The City of New Orleans is not liable for any costs incurred prior to entering into a formal written contract. Any costs incurred in the preparation of the response, interview, or other pre-contract activity are the responsibility of the respondent submitting the statement.

All submissions become the property of the City and as such are public information.

The contract shall contain a provision that:

1. any subcontractor proposed to be retained by the respondent to perform work on the contract with the City Council must be approved by Motion of the Council. The Council may require information on ownership interests in the sub-contractor prior to approval of the sub-contractor's retention; and
2. The contractor will invoice the Council on a monthly basis during the term of the contract and work shall be detailed in increments of one-tenth of an hour.

Section 9-1120, Chapter 2 of the Code of the City of New Orleans, relative to the Office of Inspector General, provides in part as follows:

“Every city contract and every bid, proposal, application or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter.”