

**DETERMINATION AND FINDINGS  
FOR  
SOLE SOURCE PROCUREMENT**

**AGENCY:** Department of Energy and Environment

**CONTRACTOR:** Urban Ingenuity  
419 7<sup>th</sup> Street, NW, Suite 300  
Washington, DC 20004

**REQUISITION  
NUMBER:** RQ923542

**CAPTION:** Property Assessed Clean Energy (PACE) Third-Party Administrator

**FINDINGS**

**1. AUTHORIZATION**

D.C. Official Code §2-354.04; There is only one source for the required goods or services. Cite 27 DCMR 1304 and 27 DCMR 1700 and 1701 as applicable.

**2. MINIMUM NEED**

The Department of Energy and Environment (DOEE) has a minimum need for a third-party program administrator for the District's Property Assessed Clean Energy (PACE) program as defined by § 8-1778.01(1). The purpose of the PACE program is to reduce the upfront costs of making properties in the District more energy and water efficient and increase the deployment of renewable energy in the District in order to address the issue of global climate change and consumers' energy costs while also stimulating economic development and job creation. To date, the PACE program has brought about over one million dollars in private investment for energy and water measures to the affordable housing sector alone. This reduction in utility costs is a key component to preserving affordable housing in the District. Another project resulted in \$150,000 in private investment for the installation of solar panels on a local gas station, thereby reducing the operating costs for a local business.

The program administrator's requirements include outreach and marketing to eligible property owners to inform them of the existence and benefits of the PACE program, establishing loan and credit standards and processes, underwriting and servicing of all applications, identifying market and leverage opportunities, finalizing and drafting all closing documents, working with the Office of Tax and Revenue to establish and collect the PACE assessments, evaluating and retaining firms to perform energy audits, implementing a quality assurance program, certifying and pre-qualifying all contractors authorized to provide PACE improvements, approving forms and quality standards for the installation of PACE improvements, and reporting to DOEE on the progress of the program.

### **3. ESTIMATED FAIR AND REASONABLE PRICE**

The government estimated fair and reasonable cost for this project is currently zero dollars (\$0), and no public funds are budgeted for this contract. The program administrator is paid solely from administrative fees collected at the time of project closing as part of the total financing package, at no cost to the District. Administrative fees are limited to three percent (3%) of the maximum principal amount of each PACE loan.

### **4. FACTS WHICH JUSTIFY SINGLE AVAILABLE SOURCE PROCUREMENT**

- (a) The program administrator, Urban Ingenuity (UI), is currently performing services in the capacity outlined in Section 2 above for the District and is aware of the services to be provided. UI has provided unique PACE program design and administration, including the development of underwriting and servicing criteria, identification of market opportunities and capital providers, collection and development of appropriate documents to finance and record PACE liens, establishment of processes with the Office of Tax and Revenue, the evaluation, retention, and oversight of energy auditing firms for energy savings verification, certification and pre-qualification of contracts to provide energy efficiency improvements or other work, approval of forms and quality standards, and regular reporting to DOEE under Contract No. PACE-10-0076.
- (b) As the incumbent program administrator, UI is uniquely positioned to carry forward the goals and duties of the PACE program, including the project development and closing of a pipeline of PACE projects estimated at \$60 million dollars. The PACE program was designed as a public-private partnership and as the program administrator, UI has established a unique functional platform for the administration of the PACE program.
- (c) As program administrator, UI is responsible for driving market demand for PACE from all interested partners and parties, therefore a sole source procurement for this contract encourages, not restricts, competitive participation in the PACE program among capital providers, interested partners and parties.
- (d) Due to UI's development of and singular knowledge of the financial underwriting criteria, technical validation requirements, special assessment tax procedures, and local District capital providers, UI is the only provider that can immediately and continuously mobilize to provide this service to the District. A sole source procurement will ensure continued stability and certainty essential to maintaining the PACE existing pipeline of \$60M in private investment for energy and water efficiency projects in the District.

**5. CERTIFICATION BY THE AGENCY HEAD**

I hereby certify that the above findings are true, correct and complete.

\_\_\_\_\_  
Tommy Wells  
Director  
Department of Energy and Environment

\_\_\_\_\_  
Date

**6. CERTIFICATION BY THE CONTRACT OFFICER**

I have reviewed and certify the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304.1 and Section 404(c) of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Official Code §2-354.04) and that no response was received. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

\_\_\_\_\_  
Tyrone M. Moorer  
Contracting Officer  
Office of Contracting and Procurement  
Department of Energy and Environment

\_\_\_\_\_  
Date

**7. DETERMINATION**

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process.

\_\_\_\_\_  
George A. Shutter III  
Chief Procurement Officer

\_\_\_\_\_  
Date