

## Responses to the Senate of Puerto Rico's Request No. 2025-0027:

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### SUBJECT

Detailed report regarding the process of RFP publication and award for the Advanced Meter Infrastructure Contract to Itron Inc.

### REQUEST

1. RFP publication process.

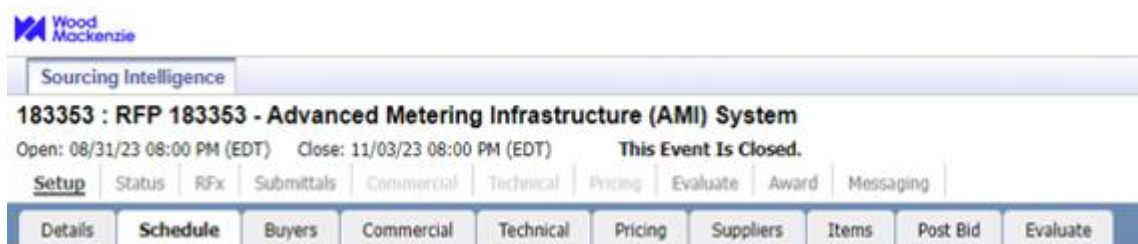
### RESPONSE

The LUMA Procurement Manual documents the procurement policies and procedures that LUMA follows when procuring goods and services as agent for the Puerto Rico Electric Power Authority.

The Procurement Manual was established under the authority of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") and approved by the Puerto Rico Public-Private Partnerships Authority ("P3A") and by the Central Office for Recovery, Reconstruction and Resiliency ("COR3"). It includes the procedure for competitive proposals publication.

LUMA publishes all its RFPs through its website ([www.lumapr.com](http://www.lumapr.com)) and its e-sourcing platform (Power Advocate). For illustrative purposes, the presentation included as Attachment A contains an overview of the process that interested vendors must follow to learn about LUMA's procurement events.

With respect to the referenced RFP for Advanced Metering Infrastructure ("AMI"), on August 31, 2023, LUMA published the solicitation on its website (<https://lumapr.com/suplidores/lista-de-eventos-deadquisicion>), both in Spanish and English, and through its e-sourcing platform, Power Advocate. Evidence of the publication is also included as Attachment B. For ease of reference, please find below an excerpt of the Power Advocate Publication:



As depicted above, the RFP was opened on August 31, 2023, and closed on November 3, 2023.

### REQUEST

2. Members that compose the Evaluation Committee.

### RESPONSE

The Evaluation Committee was composed of 4 voting members and 11 advisors. Voting Members were selected from the following functional groups in LUMA: 1) Distribution Engineering and Investment Strategy;

2) Capital Programs; 3) Grid Strategy; and 4) System Operations. Technical Advisors were selected from the following functional groups in LUMA: 1) AMI Program, 2) Customer Experience, Billing, 3) Operational Technology Systems, 4) Quality Systems and Standards, and 5) Telecom/Network Engineering.

### REQUEST

3. Number of companies that participated in the RFP.

### RESPONSE

7 companies submitted proposals.

### REQUEST

4. Proposals and quotations from each company.

### RESPONSE

LUMA's AMI RFP provided for Proponents to submit a redacted version of their proposal, omitting confidential, trade secret, privileged, and proprietary information, as needed. Proponents were informed of the nature of public disclosure and the potential disclosure of their proposals. Each redacted document includes an explanation or disclaimer justifying the redactions, outlining the necessity of confidentiality, and specifying any legal protections applicable to the omitted information.

LUMA is providing the proposals as submitted by the proponents in the interest of preserving any confidential or privileged information they identified during their submission. With the exception of two proponents who specified that redaction was not necessary, the remaining five submitted redacted proposals.

LUMA is providing the proposals and quotations as Attachment C.

### REQUEST

5. Evaluation criteria used for awarding the contract.

### RESPONSE

The Evaluation Committee verified each submitted proposal to confirm the offers complied with the requirements of the solicitation documents and evaluated the offers according to the Evaluation Criteria predefined in the solicitation documents.

The Evaluation Committee used the following evaluation criteria to evaluate submitted proposals to confirm the solution requested in the Scope of Work (SOW) section of the RFP.

EVALUATION CRITERIA	Weight Points
Commercial	30%
Quality	15%
Safety	15%
Technical	40%
<b>TOTAL BASE WEIGHT</b>	<b>100%</b>

**Commercial. (30 Possible Points)**

Rationale for Maximum Score: The rationale for achieving the maximum score in each of the specified categories is outlined below:

- i. Supplier Contractual Items and Pricing: Offeror(s) presented clear, transparent, and competitive pricing models alongside favorable contractual terms that mitigated risks and aligned with the project's objectives and constraints. Pricing will be evaluated based on the "Best Value" methodology.<sup>1</sup>
- ii. Company Information including Installation Partners: Offeror(s) provided comprehensive company profiles detailing their capabilities, strengths, and weaknesses; complete information was provided regarding the installation partners, highlighting their relevant experience and expertise.
- iii. Company References including Installation Partners: Offeror(s) provided strong references from satisfied clients for both the main company and its installation partners. These references validated the offeror(s) claims regarding expertise, reliability, and quality of service.
- iv. AMI Onboarding Services: Offeror(s) provided robust onboarding services that facilitated the smooth implementation and deployment of the AMI system. This included training, initial setup assistance, and transition support.
- v. AMI Licensing and On-Premise: Offeror(s) provided flexible licensing options that met the project's specific needs. This was complemented by on-premise solutions that adhere to the highest industry standards for security, reliability, and performance.

**Quality. (15 Possible Points)**

Rationale for Maximum Score: The following outlines the criteria upon which Offeror(s) can achieve the maximum score in each of the listed evaluation categories:

- i. New Meter Acceptance Testing: Offeror(s) offered a comprehensive and well-documented testing methodology that meets or exceeds industry standards, ensured regulatory compliance, and demonstrated a track record of delivering reliable, high-performance meters within project timelines.
- ii. AMI System Performance: Offeror(s) showed exemplary performance in terms of reliability, scalability, and data accuracy, as validated through real-world case studies or third-party evaluations.
- iii. AMI Acceptance Testing: Offeror(s) provided a robust AMI Acceptance Testing plan that aligns with the key project objectives, industry benchmarks, and included comprehensive reporting, quality checks, and customer verification procedures.
- iv. AMI Support Services: Offeror(s) demonstrated a comprehensive support service package that includes 24/7 customer support, routine maintenance plans, and a clear escalation process for resolving issues in a timely manner.
- v. AMI Test Lab Equipment: Provided a well-equipped test lab that not only meets but exceeds the necessary conditions for AMI testing. This included equipment, certified professionals, and alignment with the latest industry best practices for AMI technology.

**Safety. (15 Possible Points)**

The following outlines the criteria for achieving the maximum score in each of the listed evaluation categories:

- i. AMI Field Installation Requirements: Offeror(s) met or exceed the following:

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<sup>1</sup> The LUMA Procurement Manual defines Best Value as "the most advantageous combination of the total cost and quality needed to meet LUMA's requirements. Best Value may not necessarily mean the lowest cost but provides the greatest overall benefit in response to the requirements." As per the Procurement Manual, LUMA shall select the offeror which, in its opinion and using the evaluation factors specified in the RFP, is Responsible, and has made the best proposal and/or offers the Best Value, documenting the basis for selecting that offeror.

- a. Detailed Installation Plan: Offeror(s) provided a thorough plan outlining installation schedule, resource allocation, and compliance with safety and industry standards.
  - b. Regulatory Adherence: Installations complied with local, state, and federal regulations, as well as any other applicable guidelines.
  - c. Efficiency and Scalability: The installation process was efficient and designed to scale, reducing the time and cost associated with field installations.
  - d. Experienced Staff: Offeror(s) provided credentials for their field installation team, including relevant certifications and prior experience.
  - e. Quality Assurance: Offeror(s) implemented stringent quality checks at each stage of the installation process to ensure optimal system performance.
- ii. Field Install & WOMS (Work Order Management System): Offeror(s) will receive the maximum score for Field Install & WOMS criteria if they meet or exceed:
- a. Integration Capabilities: Offeror(s) demonstrated seamless integration between field installation procedures and their Work Order Management System (WOMS), ensuring a smooth flow of information.
  - b. Real-Time Tracking: WOMS offered real-time tracking of work orders and installation status, easily accessible through a user-friendly interface.
  - c. Customization: The WOMS was customizable to adapt to the specific needs and workflows of the project.
  - d. Efficiency: Procedures were in place to ensure that work orders were processed and executed in a timely manner, thereby contributing to project efficiency.
  - e. Comprehensive Reporting: The WOMS provided detailed reports and analytics that help in decision-making and performance monitoring.

#### Technical. (40 Possible Points)

The following outlines the criteria for achieving the maximum score in each of the listed evaluation categories:

- i. AMI Meter Edge Applications: Offeror(s) submitted edge applications that enhance the functionality, performance, and user experience of the meters while being highly compatible with other AMI systems.
- ii. AMI System Applications: Offeror(s) submitted advanced analytics capabilities that enable predictive maintenance, fault detection, and insightful data visualization will receive the maximum score.
- iii. AMI Emergency Management Customer Portal: Offeror(s) submitted a customer portal specifically designed for emergency management, with real-time updates and communication features.
- iv. AMI Security: Offeror(s) demonstrated robust security measures in compliance with industry standards and regulations to protect data and system integrity.
- v. AMI Field Tools: Offeror(s) submitted sophisticated field tools for monitoring, troubleshooting, and maintenance tasks to achieve the maximum score.
- vi. AMI Electric Meters: Offeror(s) provided electric meters that meet or exceed industry standards for accuracy, durability, and functionality.
- vii. AMI Distribution Automation: Offeror(s) submitted solutions that enhance the automation and efficiency of electricity distribution.
- viii. AMI Non-Meter Dev and Comm: Offeror(s) was capable of integrating non-meter devices and ensuring seamless communication within the AMI.
- ix. AMI Software Systems: Maximum score will be granted to vendors who offer highly compatible, scalable, and user-friendly AMI software systems.
- x. AMI Outage Management: Offeror(s) provided advanced outage management capabilities that allow for quick fault identification and resolution.
- xi. AMI DER Management (Distributed Energy Resources): Offeror(s) provided comprehensive management solutions for distributed energy resources within the AMI system, enabling optimized grid performance and renewable integration.
- xii. AMI IT Sys Integrations: Offeror(s) demonstrated seamless integration capabilities with existing IT systems, ensuring data integrity and workflow optimization.

The Score Card was utilized as a prequalification tool to score the proponent's "scope" solutions. Points were aligned in accordance with the best approaches to fulfilling the scope of work. As a result of these scores, the evaluation committee recommended vendors for SOW / BAFO clarifications.

Points provided in the Evaluation Criteria weigh each participant's capacity to provide the solicited services as described in the Scope of Work of this RFP. The solution proposed by each vendor to fulfill scope requirements is evaluated based on whether it best meets the objectives of the RFP and the quality standards of the goods or services being procured.

## FINANCIAL EVALUATION

A financial evaluation was also conducted. The purpose of the financial evaluation was to assess the financial capacity of each of the participants that submitted compliant proposals, and that met the Experience and Capacity criteria, under which they evaluated and scored the financial health and reputation of each proponent. Among the factors that were weighted were each shortlisted firm net income based on its submitted Audited Financial Statements, its bonding capacity, based on the submitted bonding capacity certificate letter from its surety/ insurance company, and the Supplier Risk Evaluation. Simultaneously, the voting members of the Evaluation Committee assessed the firm experience and capacity, approach to service fulfillment, approach to account management, Price Proposal, and the inclusion of Small, Minority, and Women-Owned Business Preference.

## REQUEST

6. Funds allocated for the contract and origin of the assigned budget entry.

## RESPONSE

The AMI project is Federally funded. FEMA funds 90% of the project (Federal Share) and the remaining 10% of the funding (State Match) expected to come from the U.S. Department of Housing and Urban Development's ("HUD") Community Development Block Grant ("CDBG") funds administered by the Puerto Rico Department of Housing. The AMI project is listed under FAASt #714654.

As a result of this AMI RFP the following contracts were awarded:

<b>Contractor</b>	<b>Goods and/or Services</b>	<b>Contract Amount</b>
West Monroe Partners	Project Management Office (PMO) Services	\$21,890,000.00
Accenture PR, LLC	System Integration to Customer Care & Billing (CC&B) Services	\$17,441,517.00
Accenture PR, LLC	Back Office Support Services	\$1,548,000.00
Capgemini America Inc.	System Information Geographical Information System (GIS), Outage Management Services (OMS) & Emergency Management Customer Portal	\$11,037,905.00
Itron, Inc.	AMI Technology & Services, AMI Onboarding Services and AMI Installation Services	\$643,760,195.12
<b>Total</b>		<b>\$695,677,617.12</b>

**REQUEST**

7. Measures implemented to supervise the installation of meters and prevent the misappropriation of funds.

**RESPONSE**

The AMI program contemplates LUMA internal measures and extensive external oversight regarding appropriate and optimal use of funds for the acquisition and installation of the AMI system. The following provides a description of the measures LUMA and external stakeholders have implemented to ensure the correct allocation of funds:

- a. Rigorous procurement oversight as detailed in the responses above for vendor selection.
- b. According to the T&D OMA and FOMB Contract Review Policy this contract required approvals from FOMB and P3A. All contracts for the AMI program and LUMA contracts required under Puerto Rico regulations are subject to anti-corruption and anti-bribery requirements with strict adherence for all vendors and LUMA. The review from the P3A is a rigorous examination of the procurement process followed, examining all the procurement documentation and the final contract draft. The FOMB review consists of an evaluation to ensure market competition and consistency with the fiscal plan. The P3A approved the contract based on their review on September 16, 2024, and the FOMB approved the contract based on their review on October 9, 2024.
- c. LUMA's AMI Project team oversight includes involvement through the program and span of control of vendors and internal processes. The program team includes experienced professionals with extensive deployment and program administration experience. The oversight of the team includes a Steering Committee made of senior leadership across the LUMA organization. The program also includes strict financial oversight as required through LUMA financial controls and procedures for spending authorizations, fund disbursement, oversight to vendors and direct oversight of invoicing review and approval requirements for knowledgeable parties required to approve invoices.

Program leadership has ensured team members have appropriate span of controls, appropriate levels of review of implementation tools and necessary training to ensure program administration is accomplished prudently and efficiently. LUMA has established project management oversight including a third-party project management office with responsibility for ensuring project key performance indicator compliance and performance.

The LUMA Energy AMI team has collectively participated in more than 15 major deployments of AMI meters throughout North America including procurement process through commissioning. This experience brings operationally tested measures to oversee and manage large scale deployment activities.

- d. Vendor Management through Quality Assurance / Quality Control measures incorporated across program including field assessments, field installations, back-office functions, customer service and overall program management. The AMI Program includes more than 90 Key Performance Indicators to provide strong oversight for achieving program performance and ensuring funds are utilized correctly and program results are achieved.

- e. LUMA Contract Administration Oversight requires this team of LUMA professionals to oversee the appropriate administration of contracts and includes reviews of necessary documents such as invoices and payment authorizations to vendors. This provides multiple layers of reviews and approvals with cross-functional teams, so no single person or team is authorizing and reviewing documents.
- f. LUMA Accounts Payable Oversight provides additional assurances, so payments made to vendors are in accordance with policies and regulations based on their oversight and expertise.
- g. COR3 Oversight and reimbursement requirements for federally funded projects requires COR3 to review all documentation necessary to manage disbursements of funds related to this program.
- h. FEMA conducts a Closeout process which refers to the final phase of a project funded by the Federal Emergency Management Agency (FEMA). It is the process by which FEMA ensures that all work is completed, costs are reconciled, and compliance with federal regulations is confirmed before officially closing a grant or project.