

LOW-INCOME ENERGY EFFICIENCY GRANTS REQUEST FOR PROPOSAL

PART 1 GENERAL INFORMATION

I-A Purpose

The purpose of this Request for Proposal (RFP) is to obtain proposals from private, non-profit, and/or public organizations to improve the energy efficiency and/or reduce the energy consumption and expenditures for Michigan low-income residents. These grants are available as part of the Low-Income and Energy Efficiency Fund (LI/EE Fund or Fund) established as part of Public Act 141, MCL 460.10d(6) administered by the Michigan Public Service Commission (Commission). The initial distribution of grant funds will extend from the initial awarding of the grant(s), anticipated to occur in Summer 2002, through March 31, 2003. The grant(s) awarded from this solicitation will be for actual costs supported by documentation. This RFP provides interested parties with sufficient information to enable them to prepare and submit proposals for consideration by the State of Michigan to receive a grant.

I-B Eligibility Requirements

It is anticipated that one or more grants will be awarded to one or more private, non-profit, and/or public organizations. Preference in awarding the grant(s) will be given to organizations with previous experience conducting low-income energy efficiency programs with an existing administrative structure to handle additional distribution activities and to those organizations most capable of offering services statewide; however, applications from other organizations will be considered. Grant funds must be used to supplement, not substitute for existing funding.

I-C Issuing Office and Funding Source

This RFP is issued by the Michigan Public Service Commission (Issuing Office) in coordination with the Michigan Department of Consumer and Industry Services, Division of Purchasing and Grant Services, Cheryl Lane, Director. The Division is the point of contact in the State for this RFP for purposes of grant administration. For technical assistance on program administration, the point of contact is Margaret VanHaften, Project Manager, Michigan Public Service Commission, 6545 Mercantile Way, P.O. Box 30221, Lansing, Michigan 48909; telephone number: (517) 241-6165; fax number: (517) 241-6181; e-mail address: mrvanha@michigan.gov.

This grant project will be funded 100% by savings resulting from electric utility securitization financing as detailed in Public Act 141, MCL 460.10d(6).

I-D Grant Award

The Issuing Office will undertake grant award negotiations with the applicant(s) whose proposal(s) show(s) the organization(s) to be the best qualified, responsible and capable

of performing the project. It is expected that one or more grants will be awarded. The total amount available for the program is currently \$5 million. The grant(s) that may be entered into will be that which is most advantageous to the State, selection criteria considered.

I-E Rejection of Proposals

The State reserves the right to reject any and all proposals received as a result of this RFP, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interest of the State. This RFP is made for information or planning purposes only. The State does not intend to award a grant solely on the basis of any response made to this request or otherwise pay for the information solicited or obtained.

I-F Incurring Costs

The State of Michigan is not liable for any cost incurred by an applicant prior to issuance of a grant agreement.

I-G Proposal Conference

No proposal conference will be held for this RFP. Inquiries should be submitted as outlined in Section I-H.

I-H Inquiries

Questions that arise as a result of this RFP must be submitted in writing to the Issuing Office either by mail or fax to the address provided in the cover letter. Telephonic questions cannot be answered. All questions must be submitted on or before the date specified in the cover letter.

I-I Changes to the RFP

Written answers to questions concerning the RFP will be provided to all prospective applicants on the Commission's website, <http://www.cis.state.mi.us/mpsc/execsec>.

I-J Response Date

To be considered, proposals must be received by the Issuing Office on or before the date and time specified in the cover letter. Applicants mailing proposals should allow normal delivery time to ensure timely receipt of their proposals. Proposals received after the specified date and time will not be considered.

I-K Proposals

To be considered, applicants must submit a complete response to this RFP using the format provided in Part IV. An original signature copy plus eight additional copies of each proposal must be submitted to the Issuing Office. No other distribution of proposals will be made by these applicants. Proposals must be signed by an official authorized to

bind the applicant to its provisions. For this RFP, the proposal must remain valid for at least sixty days.

I-L Acceptance of Proposal Content

The contents of this RFP and the proposal of the selected applicant may become grant obligations if a grant award ensues. Failure of the selected applicant to accept these obligations may result in cancellation of the award.

I-M Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the applicant's ability to meet the requirements of the RFP. Fancy bindings, colored displays, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content.

I-N Oral Presentation

Applicants may be required to make an oral presentation of their proposal to the State. These presentations provide opportunity for the applicant to clarify the proposal to insure thorough mutual understanding. The Issuing Office will schedule these presentations if deemed necessary.

I-O Prime Applicant Responsibilities

The selected applicant(s) will be required to assume responsibility for all services offered in the proposal whether or not they possess them within their organization. Further, the State will consider the selected applicant(s) to be the sole point of contact with regard to grant matters, including payment of any and all charges resulting from the grant.

I-P Grant Payment Schedule

Payment for any grant entered into as a result of this RFP will be made according to the following, unless otherwise negotiated:

An initial advance of 45% of the total grant payment will be paid to the Grantee upon completion of all signatures to the grant. An additional advance may be provided upon submission of documentation to the State showing 90% of the previous advance has been expended and an appropriate level of progress has been made toward completing the project. 10% of the grant amount will be held back pending completion of the project and submission of final documentation and reporting requirements. Grantees will be required to provide a mid-project and final report, unless otherwise negotiated, of the amount of funds expended in each category of the budget, the number of clients served, and the work accomplished.

At the end of the term of the grant, all unexpended grant funds must be returned to the State.

I-Q News Releases

News releases pertaining to this RFP or the service, study or project to which it relates shall not be made without prior State approval and then only in coordination with the Public Service Commission.

I-R Disclosure of Proposal Contents

The information in all proposals and any Grant resulting from the RFP are subject to disclosure under the Michigan Freedom of Information Act, 1976 Public Act No 442, as amended, MCL 15.231, et seq.

I-S Copyrighted Materials

The selected applicant(s) shall agree to grant to the State a nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of all copyrightable material developed as a result of the project.

I-T Selected Applicant's Liability

The selected applicant(s) or any subgrantees or subcontractors of the selected applicant(s) will provide and maintain public liability, property damage, and worker's compensation insurance insuring, as they may appear, the interests of all parties to any agreement that results from this RFP against any and all claims which may arise out of the applicant's or subcontractor's operation under the terms of the resulting agreement. The selected applicant is responsible for insuring that all precautions are exercised at all times for the protection of all persons and property. The selected applicant or any subgrantee or subcontractor of the selected applicant shall secure all necessary certificates and permits from municipal or other public authorities and comply with all national, State, and municipal laws, ordinances and regulations as may be required.

I-U Indemnification

1. General Indemnification

The selected applicant(s) shall indemnify and hold harmless the State of Michigan and its agents and employees from and against all claims, damages, losses and expenses including attorney's fees arising out of or resulting from the performance of the work, which includes all labor, material and equipment required to produce the service required by the grant, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting there from, and (2) is caused in whole or in part by any negligent act or omission of the selected applicant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

2. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan or any of its agents or employees by any employee of the selected applicant(s), any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this grant shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the selected applicant or any subcontractor under worker's disability compensation acts, disability benefit acts or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

The obligations of the selected applicant(s) under this grant shall not extend to the liability of the State of Michigan, its agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the State of Michigan, its agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

3. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early cancellation of the Grant, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

I-V Cancellation

The State may cancel the Grant for any of the following reasons:

1. Default of the grantee. Default is defined as the failure of the grantee to fulfill the obligations of the grant. In case of default by the grantee, the State may immediately and/or upon 30 days prior written notice to the grantee cancel the grant without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the grantee responsible for any excess costs occasioned thereby.
2. Lack of Further Need for the Project. In the event the State no longer desires the project due to program changes, changes in laws, rules or regulations, and/or relocation of offices, the State may cancel the grant without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the grantee written notice of such cancellation 30 days prior to the date of cancellation.
3. Lack of Funding. The grantee acknowledges that, if this grant extends for several fiscal years, continuation of this grant is subject to appropriation of funds for this project. If funds to enable the State to effect continued payment under this grant are not appropriated or otherwise made available, the State shall have the right to

terminate this grant without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the grantee. The State shall give the grantee written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.

4. Criminal Offense Incident. The State may immediately cancel the grant without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if the grantee, an officer of the grantee, or an owner of a 25% or greater share of the grantee, is convicted of a criminal offense incident to the application for or performance of a State, public or private grant, contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; conviction under State or federal antitrust statutes; or conviction of any other criminal offense which in the sole discretion of the State, reflects on the grantee's business integrity.

In the event of the cancellation of the grant, all unexpended grant funds shall be returned to the State.

I-W Civil Rights Requirements

1. Grant award and continuation is contingent upon the applicant's compliance with all applicable civil rights statutes and regulations.
2. A selected applicant's equal opportunity standard is expected to provide a reasonable representation of minority group individuals and women at all levels of the work force an equal opportunity to participate in and enjoy the benefits of all programs and activities without regard to race, color, religion, national origin, age or sex.
3. A selected applicant will comply with the Michigan Handicapper's Civil Rights Act, the Americans with Disabilities Act 1990 and the Rehabilitation Act of 1973. These acts prohibit discrimination against otherwise qualified handicapped individuals solely by reason of their handicap.

I-X Certification Regarding Lobbying

The selected applicant shall certify, to the best of his or her knowledge and belief, that the funds provided in this grant have not been paid nor will be paid, by or on behalf of the selected applicant, to any person for influencing or attempting to influence an officer or employee of any agency of the State of Michigan or the Federal government.

PART II WORK STATEMENT

II-A Purpose

The purpose of this grant is to improve the energy efficiency of low-income households, resulting in reduced energy consumption and expenditures. Low-Income Energy Assistance Grants will be available to private, public, and/or nonprofit organizations. Preference in awarding the grant(s) will be given to organizations with previous experience conducting low-income energy efficiency programs with an existing administrative structure to handle additional distribution activities and to those organizations most capable of offering services statewide; however, applications from other organizations will be considered. The Grant(s) will extend from the date of issuance, anticipated to be Summer 2002, through March 31, 2003.

II-B Problem Statement

Compared with an estimated 6% for other households, low-income households may spend 15-25% of their income on household energy bills. As Michigan's economic situation tightens, low-income households have a more difficult time meeting their energy needs; any reduction in energy expenditures can have a positive impact on the household's economic security. Therefore, low-income residents will benefit from implementation of projects that reduce the amount of energy their households use. Energy efficiency improvements for low-income residents can be a cost effective addition and/or alternative to bill payment assistance and provides future economic, social, and environmental benefits.

II-C Objectives

1. Implement improvements to the homes of low-income customers that increase energy efficiency and reduce energy expenditures.
2. Teach low-income residents how to reduce energy demand resulting in lower energy costs.

II-D Tasks

1. Promote the availability of this program with other promotions currently being conducted by the grantee or in coordination with other organizations that provide services to low-income households.
2. Provide energy efficiency assistance whenever possible through the organization's existing administrative framework.
3. Provide cost-effective energy efficiency improvements to low-income households.
4. Teach recipients of the energy efficiency services low-cost/no-cost methods to reduce their energy consumption.
5. Evaluate the success of the program by providing details on how many clients were reached, eligibility requirements used, amount of assistance provided, and estimates of energy savings resulting from the program.

PART III
PROJECT CONTROL AND REPORTS

III-A Project Control

1. The selected applicant(s) will carry out the project under review of the State project manager. The Michigan Department of Consumer and Industry Services grant administrator shall have final authority over the agency/grantee agreement.
2. Along with continuous liaison with the selected applicants, the State project manager will meet as needed with the selected applicant's project manager for the purpose of reviewing progress and providing necessary guidance to the selected applicant in solving problems that arise.

III-B Reports

1. The selected applicant(s) will provide the State project manager with progress reports on December 1, 2002 and April 30, 2003 unless otherwise negotiated, as described in the grant agreement. At a minimum, unless otherwise negotiated, the reports will outline the work accomplished during the reporting period including the number of households served, the type of services provided, anticipated savings as a result of the program, work to be accomplished during the next reporting period, real or anticipated problems that should be brought to the attention of the State project manager, noteworthy accomplishments, and notification of any significant deviation from previously agreed upon work plans.
2. An annual report as described in the grant agreement must be submitted to the State project manager within 30 days following the grant period expiration. At a minimum, the final report will contain:
 - a. Description of project implementation including the number of households reached by the project; participants by county; eligibility requirements; services provided; average amount of energy savings per household , total estimated amount of energy savings for the year, and basis for the estimation.
 - b. Copies of any materials used in the project.
 - c. Project evaluation including the impact on clients.
 - d. Significant problems encountered.
 - e. Significant accomplishments.
 - f. Recommendations for future projects and continuation of the Fund.

Grantees shall also maintain records of expenditures and submit financial reports to the Commission as required in this RFP. All grantees are subject to audit by the Commission Staff or other auditor designated by the Commission. Grantees who receive \$100,000 or more in any 12-month period will be required to submit an audited financial report for the grant period. At the end of the term of the grant, all unexpended funds must be returned to the State.

PART IV
INFORMATION REQUIRED FROM APPLICANTS

Grant proposals must be submitted in the format outlined below:

IV-A Identification of Organization

State the full name and address of the organization and, if applicable, other subordinate element(s) that will perform, or assist in performing, the work hereunder. Include the organization's federal identification number.

IV-B Authorized Negotiators

Include the names and phone numbers of personnel authorized to negotiate the proposed grant agreement with the State.

IV-C Statement of the Problem

State in succinct terms the applicant's understanding of the problem presented by this RFP.

IV-D Management Summary

Provide a description of the organization's existing program(s) for assisting low-income households in increasing the energy efficiency of their homes, geographic area served, and current source(s) of funding. Describe in narrative form how the project will be managed by the organization and how the organization will coordinate with other low-income assistance providers, material providers, and other charitable and non-charitable organizations to accomplish set goals. Include a description of quality assurance measures and "lessons learned" regarding the administration and management of the program(s).

IV-E Work Plan

Describe in narrative form the plan for accomplishing the work and how the program will be promoted. Identify the types of services to be provided, justification for why those particular services will be offered, how the funding will be used to accomplish set goals, projected number of households to be served, geographic area to be served, and how energy savings will be determined. Describe how the Fund will be managed, how needy households will be identified and eligibility determined and verified, and how services will be provided. Indicate the estimated number of staff and/or volunteers that will be needed to provide energy efficiency assistance, whether staff training will be required and how it will be administered. Describe how the project will be evaluated to determine its impact on low-income energy bills, the number of households served by county, eligibility requirements, and the level and type of assistance provided.

IV-F Prior Experience Disclosure

Prior experience in providing energy efficiency programs to low-income residents is important to the selection process. Proposals submitted should include:

1. A description of low-income energy efficiency enhancement programs operated by the organization for the current year and the past two years, number of households served annually for the current year and the past two years,
2. The amount of resulting energy savings provided for the current year and the past two years,
3. Current funding source(s) and the level of funding for the current year and the past two years.

IV-G Personnel

Applicants must be able to staff a project team that clearly possesses talent and experience in assisting low-income residents. Identify key personnel by name, title, and role or responsibility in the program and provide a resume for each.

IV-H Time Frame

To assist in preparation of the proposal, the State contemplates the project will start during Summer 2002 and be completed by March 31, 2003.

IV-I Budget Considerations

Applicants must submit a proposed budget for this project, including other funding or in-kind services that will contribute to the total funding amount necessary to complete the project. Include any appropriate narrative explanations. The grant will be paid out according to the grant payment schedule in I-P and/or any approved amendment to the budget. The following budget format must be provided for expenditures to be covered by the grant:

- Personnel – the number of people and positions including direct salaries, indication of costs that are included, and the number of hours committed to the project;
- Supplies, materials, and equipment committed to the project;
- Other expenditures to be covered by the Grant (please specify);
- Indirect costs (please specify); and
- Total amount requested from the Grant.

Include any narrative explanations and sufficient detail to allow the Issuing Office to review and evaluate the proposed budget.

IV-J Additional Information and Comments

Include any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.

PART V SELECTION CRITERIA

All proposals received shall be subject to an evaluation by the Issuing Office. This evaluation will be conducted in a manner appropriate to select an organization or organizations for the purpose of entering into a grant to perform this project.

All proposals will receive an initial screening to insure that the eligibility criteria are met. Proposals meeting the Eligibility Requirements will be evaluated according to the Selection Criteria below. Applicants may be asked to make oral presentations before a final decision is made.

Total points represent 100.

- A. Experience of Organization and Project Team (25 points)
 - 1. An existing structure for providing low-income energy efficiency assistance (15points)
 - 2. Access to clients (10 points)

- B. Management Summary (15 points)
 - 1. Project management and quality assurance measures. (10 points)
 - 2. Plan to evaluate the project. (5 points)

- C. Work Plan (45 points)
 - 1. Projected number of households that will be reached by the project. (10 points)
 - 2. Average amount of anticipated energy savings per household. (10 points)
 - 3. Quality of plan to develop and implement the project. (15 points)
 - 4. Statewide coordination and geographic area covered. (10 points)

- D. Budget (15 points)
 - 1. Are budget line items reasonable? (8 points)
 - 2. Ability to minimize administrative and overhead costs and to leverage additional funds. (7 points)