

October 25, 2002

Low-Income Energy Assistance Grant(s)

The Michigan Public Service Commission invites proposals to provide energy assistance to low-income households in the state of Michigan. Only public and non-profit organizations are eligible to submit proposals. One or more grants may be awarded. Grants will be funded by the Low-Income and Energy Assistance Fund; \$15 million is currently available for this program. Proposals may be for a portion of the available funds or for the entire amount. The grant(s) will be awarded in December 2002 and will run through July 2003.

Attached you will find the Request for Proposals. It provides sufficient information to enable you to prepare and submit a proposal.

INQUIRIES

Inquiries must be received no later than 5:00 p.m., Friday, November 15, 2002. Inquiries may be faxed to Margaret VanHaften at 517-241-6181 or may be made in writing to:

Margaret VanHaften, Project Manager
Commission Operations Division
Michigan Public Service Commission
P.O. Box 30221
6545 Mercantile Way
Lansing, Michigan 48911

All inquiries should reference the Low-Income Energy Assistance Grant, Case No. U-13129. Inquiries will be answered on the Commission's website at <http://www.michigan.gov/mpsc>. The link can be found under "Spotlight" on the front page.

PROPOSALS

Proposals must reference Case No. U-13129. An original signature copy and eight additional copies must be received at the Commission office no later than 5:00 p.m., Friday, November 22, 2002. Send or deliver proposals to:

Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
6545 Mercantile Way
Lansing, Michigan 48911

LOW-INCOME ENERGY ASSISTANCE GRANTS

REQUEST FOR PROPOSAL

PART I

GENERAL INFORMATION

I-A Purpose

The purpose of this Request for Proposal (RFP) is to obtain proposals from non-profit or public organizations to provide assistance to Michigan low-income residential customers in paying household energy bills through a Low-Income Energy Assistance Grant (LIEAG) 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) and to be 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 December 2002, through July 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

To be eligible to receive a LIEAG, the applicant must meet the following eligibility requirements:

- 1) The applicant must be a non-profit or public organization offering service to low-income residents in Michigan. A public organization is considered to be a governmental agency.
- 2) The funds requested must supplement, not substitute for, existing funding.
- 3) The applicant must submit a signed original and the requisite number of proposals by the time and date specified in the cover letter.
- 4) The proposal must be prepared using the format specified in Section IV, Information Required From Applicants.

Preference in awarding the grant(s) will be given to organizations:

- 1) with a proven record in distributing energy assistance to low-income residents;
- 2) with an existing administrative structure to handle additional distribution activities;
- 3) able to coordinate the provision of assistance with other service providers; and
- 4) serving multiple counties or populations of at least 500,000 people.

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, Leann Droste, 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

Grant award negotiations will be undertaken 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 \$15 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. 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 Preproposal Conference

No preproposal 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. Telephonic and e-mail 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.michigan.gov/mpsc/>.

I-J Response Date

To be considered, proposals must arrive at 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 deadline specified in the cover letter will not be considered for funding.

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 and to the provisions of this RFP. 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 straight-forward, 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.

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:

Payments will be made to the grantee(s) in advance on a quarterly basis as negotiated. Grantees will be required to provide quarterly reports, unless otherwise negotiated, of the amount of funds expended in each category of the budget and the number of clients served. 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 approval of the Department of Consumer and Industry Services and the Public Service Commission.

I-R Disclosure of Proposal Contents

Proposals are subject to disclosure under the Michigan Freedom of Information Act (P.A. 1976, No. 442).

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

In the performance of a Grant agreement, the Grantee agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The Grantee further agrees that every subcontract entered into for the completion of any Grant resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, et seq, and the Michigan Handicapper's Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq, and any breach thereof may be regarded as a material breach of the Grant agreement.

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 project is to provide financial assistance to low-income households in paying household energy bills. Low-Income Energy Assistance Grants will be available to public or nonprofit organizations who can provide assistance to residents in at least ten counties in Michigan. Preference in awarding the grant(s) will be given to organizations with a proven record in distributing energy assistance to low-income residents, an existing administrative structure to handle additional distribution activities, and the ability to coordinate the provision of assistance with other service providers; however, applications from other public and non-profit organizations will be considered. Grants may be used to serve additional clients under existing eligibility guidelines, increase the amount of assistance available to each eligible household, or revise existing eligibility guidelines to serve clients otherwise unable to obtain assistance through existing programs. The Grant(s) will extend from the date of issuance, anticipated to be December 2002, through July 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, meaning any increase in energy costs can have a significant impact. As Michigan's economic situation tightens, low-income households can face utility shut-offs for nonpayment of bills or the inability to purchase delivered fuels. Existing funding to provide energy assistance has not increased consistent with the need, and existing assistance eligibility guidelines include only the most needy households.

II-C Objectives

1. Provide assistance to low-income households statewide in paying energy bills, thus protecting customers from shut-offs by utility companies and the inability to purchase deliverable fuels.
2. Supplement existing energy assistance programs, enabling the providing organizations to increase the level of assistance provided to clients, serve more clients at the existing assistance levels and under current eligibility guidelines, and/or expand the eligibility requirements to include low-income households not eligible under current eligibility guidelines.
3. Coordinate with other service providers to more efficiently serve the energy assistance needs of low-income clients.
4. Leverage other funds to provide low-income energy assistance.

II-D Tasks

1. Coordinate promotion of availability of this assistance with other promotions and services currently being conducted by the grantee.
2. Determine if the client meets the eligibility requirements.
3. Provide assistance efficiently and in a timely manner to eligible clients.
4. Establish and implement quality assurance measures to ensure funds are used for the intended purpose.
5. Coordinate provision of energy assistance with other service providers.
6. Provide energy assistance through the organization's existing administrative framework.
7. Provide quarterly progress reports, unless otherwise negotiated, and annual reports as detailed in Part III of this RFP.
8. Evaluate the success of the program by providing details on how many clients were reached, eligibility requirements used, and amount of assistance provided.

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 quarterly reports, 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 clients served and the amount of funds distributed, 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, unless otherwise negotiated, the final report will contain:
 - a. Description of project implementation including the number of clients reached by the project, eligibility requirements, range of assistance payments made, and average payment.
 - b. Number of eligible clients denied assistance due to lack of funding.
 - c. Copies of any materials used in the project.
 - d. Project evaluation including the impact on clients.
 - e. Significant problems encountered.
 - f. Significant accomplishments.
 - g. 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 or as negotiated. 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 no more than 25 pages, double-spaced, using 12 point font, and must be organized using the format outlined below. Please number the sections as done below.

IV-A Identification of Organization

State the full name and address of the organization; include telephone number, fax number, and federal identification number. If applicable, provide the names, addresses, and telephone numbers of other subordinate element(s) that will perform, or assist in performing, the work hereunder.

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. Describe any significant problems the applicant has had meeting the needs of low-income clients either in providing energy assistance or other services.

IV-D Management Summary

- 1) Describe the organization's existing program(s) for assisting low-income households with energy bills, including number of clients served, funds distributed, and current source(s) of funding.
- 2) Provide a plan for promoting the program.
- 3) Describe how the applications will be taken and eligibility will be determined.
- 4) Describe how the project will be managed by the organization and how the organization will coordinate with utility companies, deliverable fuel providers, and other assistance providers. Include an organizational chart if it leads to additional understanding of the management structure.
- 5) Describe the geographic area to be covered by the project and the projected number of eligible clients.
- 6) Indicate and justify the estimated number of staff that will spend time providing energy assistance and how staff will be trained and monitored.
- 7) Describe quality assurance measures that will be taken to insure that only eligible clients receive funds.

- 8) Describe how the project will be evaluated to determine its impact on clients, the number of clients served by county, the demonstrated need for assistance within the organization's client base by county, eligibility requirements, and the level of assistance provided.

IV-E Work Plan

Describe in narrative form the plan for accomplishing the work, including:

- 1) Client eligibility requirements and projected number of clients to be served by this Fund;
- 2) How applications will be taken and eligibility determined and verified, and how payment will be provided;
- 3) An estimate of the number of clients to be served, the eligibility requirements, and estimated amount of assistance payments needed to handle the projected number of clients, as well as any administrative and indirect costs;
- 4) The plan for reaching clients; and
- 5) Any coordination with other services offered by the applicant or other service agencies.

IV-F Prior Experience Disclosure

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

- 1) A description of low-income assistance programs currently operated by the organization, number of clients served annually for the current year and the previous two years;
- 2) The amount of assistance provided for the current year and the previous past two years;
- 3) Current funding source(s) and the level of funding for the current year and the previous two years and, to the extent possible, the number of clients unassisted due to a) insufficient funding and b) failure to meet eligibility requirements;
- 4) If applicant received LI/EE Funds for low-income energy assistance in 2002, provide a summary of project accomplishments, including number of clients assisted to date, amount of assistance distributed, noteworthy accomplishments, and problems encountered in carrying out grant responsibilities and how the problems were resolved.

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 qualifications for each.

IV-H Time Frame

To assist in preparation of the proposal, the State contemplates the project will start during December 2002 and be completed by July 31, 2003. Provide a timeline for completing the planned activities.

IV-I Budget Considerations

Applicants must submit a clearly laid-out proposed budget for this project with sufficient detail to enable the Issuing Office to evaluate the project costs. Include any narrative description necessary to explain the details of the budget. The grant will be paid out according to the grant payment schedule in I-P and/or any approved amendment to the budget. At a minimum, the following budget items should be included:

- 1) Personnel – Include the staff positions that will be paid for by this grant, the anticipated number of hours to be worked for each position, hourly rate, overhead, and total for each position and a total for all personnel costs;
- 2) Supplies and materials, including categories and costs;
- 3) Travel expenses;
- 4) Direct assistance funding requests – Estimate the number of clients to be served and the anticipated average assistance payment;
- 5) Other expenses – please specify;
- 6) Indirect costs – please specify; and
- 7) Total amount requested from the LI/EE Fund by the applicant.
- 8) Include details on other funds available to the applicant's organization that will be used to provide low-income energy assistance directly or to cover administrative and overhead expenses and the source of those funds.

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. Any proposals not meeting the Eligibility Requirements described in I-B will be rejected automatically. 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 assistance (20 points)
 - 2. Access to clients (5 points)
- B. Management Summary (25 points)
 - 1. Project management and quality assurance measures. (20 points)
 - 2. Plan to evaluate the project. (5 points)
- C. Work Plan (35 points)
 - 1. Projected number of clients that will be reached by the project and level of assistance provided. (14 points)
 - 2. Quality of plan to develop and implement the project. (14 points)
 - 3. Statewide coordination and geographic area covered (7 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)