



Working to Create Michigan's Future Today

STATE ENERGY PROGRAM

TALL TOWERS WIND ENERGY MONITORING

Request for Proposal

September 1, 2009 – September 18, 2009

Jennifer M. Granholm, Governor

Stanley F. Pruss

Director and Chief Energy Officer

Michigan
Recovery & Reinvestment Plan

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PART I GENERAL GRANT INFORMATION

1.1 Statement of Purpose

The Michigan Department of Energy, Labor, & Economic Growth is offering a grant to a public or non-profit organization to conduct a Tall Towers Wind Energy Monitoring Project and install anemometers on five (5) Michigan Public Safety Communications System (MPSCS) towers to measure wind speeds. This is not a research and development project. The purpose is to collect wind data that will facilitate and expedite the development of wind power in Michigan. The wind data will be collected at three heights and used to determine wind energy potential at 100 meters. The data will provide a more accurate assessment of Michigan's overall wind energy potential and encourage the development of this renewable energy resource.

1.2 Issuing Agency and Funding Source

This RFP is issued by the State Energy Program, Bureau of Energy Systems (Bureau) within DELEG. For purposes of grant administration the Bureau is the point of contact for this RFP.

John Sarver
Bureau of Energy Systems
611 W. Ottawa
PO Box 30221
Lansing, MI 48909

Projects under this RFP will be funded, in whole or in part, with funds allocated to the State Energy Program by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (ARRA). The State Energy Program received \$82,035,000 dollars to:

- Stimulate the economy;
- Create and retain jobs;
- Reduce reliance on imported energy; and
- Improve the reliability of electricity, fuel supply, and the delivery of energy services.

Funded activities must be started and completed expeditiously. Special consideration will be given to projects that promote and enhance the objectives of the ARRA, especially job creation, preservation and economic recovery, in an expeditious manner.

1.3 Funding Availability

Up to \$85,000 dollars is available to conduct a Tall Towers Wind Energy Monitoring Project and install anemometers on five (5) Michigan Public Safety Communications System (MPSCS) towers to measure wind speeds.

1.4 Funding Range for Projects

The State Energy Program anticipates awarding a grant covering up to 100 percent of eligible activities. There will be one award for up to \$85,000. The applicant should propose a funding level that is appropriate to their needs.

1.5 Period of Performance

The period of performance for an effort selected under this announcement is limited to no more than 18 months.

1.6 Eligible Applicants

Any public or non-profit organization is eligible to apply.

1.7 Ineligible Applicants

Federal Government and businesses are not eligible.

1.8 Match

Matching dollars are not required.

1.9 Eligible Project

The primary objective of the Tall Towers Wind Monitoring Project is to install anemometers on five (5) Michigan Public Safety Communications System (MPSCS) towers to measure wind speeds. The wind data will be collected at three heights and used to determine wind energy potential at 100 meters. The data will provide a more accurate assessment of Michigan's overall wind energy potential and encourage the development of this renewable energy resource.

Most publicly available wind speed data is available at 10 or 30 meters and data collected at higher heights, typically 60 or 80 meters, is usually proprietary. Most commercial wind turbines are installed at 70-100 meters. Tall tower wind speed data collected in other Midwest states indicate that we may be underestimating our overall wind energy potential. In addition, sufficient data does not exist at 100 meters to make it possible to validate our 100 meter wind speed map. A validated 100 meter wind power density map would be very helpful in identifying possible areas in Michigan for wind power development.

The selected applicant will be responsible for the following tasks:

1. Purchase anemometers, data loggers with battery backup, cellular phones, wind direction vanes, temperature sensors, barometric pressure sensors, booms, and all equipment and materials needed for installation and operation of the wind monitoring system.
2. Assist the Michigan Dept. of Information Technology staff who will install the equipment on five MPSCS towers. Anemometers will be installed at 60, 80, and 100 meters at each of the five towers. Wind direction vanes will be installed at 80 and 100 meters. Temperature sensors will be installed at 10 meters and will be equipped with a radiation shield. The five towers selected are:
 - Gratiot County, tower 1402
 - Delta County, tower 8407
 - Antrim County, tower 7901
 - Mason County, tower 6604
 - Hillsdale County, tower 1902A tower a comparable distance from the selected applicant's office may be substituted at the discretion of the State Grant Administrator.
3. Collect the data. The data loggers will sample each of the anemometers, wind direction vanes, and temperature sensors at 2 second intervals. The data loggers will temporarily store these data points and on a 10 minute interval calculate and store a record for the time period. Data recovery rate will be 90%.
4. Analyze the data, post the data on a web site, and make the data available to the public and interested parties. As data is collected from the tall tower monitoring system, charts and summaries will be prepared monthly and placed on-line for public access. Data posted will include wind speed frequency distributions, average hourly values, and wind roses.

1.10 Project Clarifications/Revisions

During the proposal review process, applicants may be contacted for clarification and for the purpose of negotiating changes in project activities, timetables, and budgeted costs. The State Energy Program reserves the right to award funds for an amount other than that requested or request changes to, or clarification of, the proposed project.

Information essential for the State Energy Program to meet its reporting obligations under the ARRA must be included in project proposals.

1.12 Acceptance of Proposal Content

The successful applicant will be required to enter into contract with the State Energy Program within 30 days of being awarded funding. The agreement consists of standard “boilerplate” language, applicant’s work plan, timetable, and budget information, a compensation clause that adheres to guidelines in this solicitation, and terms and conditions that outline some of the contractual requirements. Failure of a selected candidate to accept these obligations will result in cancellation of the award.

The State Energy Program reserves the right to reject any and all proposals received as a result of this project solicitation.

1.13 Contract Reimbursement for Project Expenditures

Project grants cannot extend beyond June 30, 2011, with the final billing invoice to be submitted by 4:00 PM on July 31, 2011 to secure full reimbursement. Grant applicants will be expected to make their own payments for materials, equipment, supplies, personnel, or other project expenditures and, subsequently, provide to the State Energy Program detailed requests for reimbursement. These requests will document expenditures made, equipment purchased, and other eligible expenses incurred. The State Energy Program is not liable for any cost incurred by an applicant prior to issuance of a Grant Agreement.

1.14 Funding Transparency/ARRA Funds Disclosure

All information provided in pursuit of, and resulting from, this funding opportunity is open to the public.

1.15 Due Date

Applications will be accepted starting September 1, 2009 and must be received no later than 4 p.m. on September 18, 2009 at the address listed below. Faxes and electronic submissions will not be accepted.

Bureau of Energy Systems
611 W. Ottawa
PO Box 30221
Lansing, MI 48909
Attention: John Sarver

1.16 Payment Schedule

The maximum amount of grant assistance offered is \$ 85,000 (Sec. 1.4). Progress payments up to a total of 85 percent of the Total Authorized Budget may be made upon submission of a Grantee request indicating grant funds received to date, project expenditures to date (supported

with computer printouts of accounts, general ledger sheets, balance sheets, etc.), and objectives completed to date. Backup documentation such as computer printouts of accounts, ledger sheets, check copies, etc. shall be maintained for audit purposes in order to comply with this Agreement. The payment of the final 15% of the grant amount shall be made after completion of the project and after the State Grant Administrator has received and approved a final report, if applicable. The final payment is also contingent upon the submission of a final invoice that includes expenditures of grant funds reported by line item and compared to the approved Budget.

Public Act 279 of 1984 states that the State shall take all steps necessary to assure that payment for goods or services, is mailed within 45 days after receipt of the goods or services, a complete invoice for goods or services, or a complete contract for goods or services, whichever is later.

1.17 Monitoring and Reporting Program Performance

- A. Monitoring. The Grantee shall monitor performance to assure that time schedules are being met and projected work by time period is being accomplished.
- B. Quarterly Reports. The Grantee shall submit to the State Grant Administrator quarterly performance reports that briefly present the following information:
 - 1. Percent of completion of the project objectives. This should include a brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent reporting period.
 - 2. Brief description of problems or delays, real or anticipated, which should be brought to the attention of the State Grant Administrator.
 - 3. Statement concerning any significant deviation from previously agreed-upon Statement of Work.
- C. A Final Report is required. The Grantee will do the following:
 - 1. Submit a draft copy of the final report no later than July 31, 2011 for review by the State Grant Administrator.
 - 2. After the State Grant Administrator has determined the completeness and factual accuracy of the report, the Grantee shall submit three (3) final copies of the report to the State Grant Administrator.
 - 3. The final report will include the following information:
 - a. A summary of the project implementation plan and any deviations from the original project as proposed.
 - b. Accomplishments and problems experienced while carrying out the project activities.
 - c. Analysis of data collected and wind energy potential at 100 meters.
 - d. Actual Budget expenditures compared to the Budget in this Agreement. Include the basis or reason for any discrepancies.
 - f. Recommendations for next steps.

PART 2 - GENERAL PROVISIONS

2.1 Project Changes

Grantee must obtain prior written approval for major project changes from the State Energy Program Administrator

2.2 Record Retention

The Grantee shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of seven (7) years or greater as provided by law following the creation of the records or documents.

2.3 Project Income

To the extent that it can be determined that interest was earned on advances of funds, such interest shall be remitted to the Grantor. All other program income shall either be added to the project budget and used to further eligible program objectives or deducted from the total program budget for the purpose of determining the amount of reimbursable costs. The final determination shall be made by the State Energy Program Administrator.

2.4 Share-in-savings

The Grantor expects to share in any cost savings realized by the Grantee. Therefore, final Grantee reimbursement will be based on actual expenditures. Exceptions to this requirement must be approved in writing by the State Energy Program Administrator.

2.5 Order of Spending

Unless otherwise required, Grantee shall expend funds in the following order: (1) private or local funds, (2) federal funds, and (3) state funds. Grantee is responsible for securing any required matching funds from sources other than the State.

2.6 Purchase of Equipment

The purchase of equipment not specifically listed in the Budget, Appendix A, must have prior written approval of the State Energy Program Administrator. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval.

2.7 Accounting

The Grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records which will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over and accountability for all funds received (see Attachments 1 and 2). Accounting records must be supported by source documentation including, but not limited to, balance sheets, general ledgers, time sheets and invoices. The expenditure of state funds shall be reported by line item and compared to the Budget.

2.8 Audit

The Grantee agrees that the State may, upon 24-hour notice, perform an audit and/or monitoring review at Grantee's location(s) to determine if the Grantee is complying with the requirements of the Agreement. The Grantee agrees to cooperate with the State during the audit and/or monitoring review and produce all records and documentation that verifies compliance with the Agreement requirements. The Grantor may require the completion of an audit before final payment.

If the Grantee is a governmental or non-profit organization and expends the minimum level specified in OMB Circular A-133 (\$500,000 as of June 27, 2003) or more in total federal funds in its fiscal year, then Grantee is required to submit a Single Audit report to all agencies that provided federal funds to the entity during the fiscal year being audited.

If the Grantee is a commercial or for profit organization which is a recipient of Workforce Investment Act Title I funds and expends more than the minimum level specified in Office of Management and Budget (OMB) Circular A-133 (\$500,000 as of June 27, 2003), then the Grantee must have either an organization-wide audit conducted in accordance with A-133 or a program specific financial and compliance audit conducted. Section .320(a) of OMB Circular A-133 states the Single Audit report must be submitted to the Grantor within thirty (30) days after the completion of the audit, but no later than nine (9) months after the end of the Grantee's fiscal year.

2.9 Competitive Bidding

The Grantee agrees that all procurement transactions involving the use of state funds shall be conducted in a manner that provides maximum open and free competition. When competitive selection is not feasible or practical, the Grantee agrees to obtain the written approval of the State Energy Program Administrator before making a sole source selection. Sole source contracts should be negotiated to the extent that such negotiation is possible.

2.10 Liability

The State is not liable for any costs incurred by the Grantee before the start date or after the end date of this Agreement. Liability of the State is limited to the terms and conditions of this Agreement and the grant amount.

2.11 Intellectual Property

Unless otherwise required by law, all intellectual property developed using funds from this Agreement, including copyright, patent, trademark and trade secret, shall belong to the Grantee.

2.12 Safety

The Grantee, all contractors, and subcontractors are responsible for insuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all Applicable Laws and building and construction codes shall be observed. The Grantee, contractors, and every subcontractor are responsible for compliance with all federal, state and local laws and regulations in any manner affecting the work or performance of this Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The Grantee, all contractors and subcontractors shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of this Agreement.

2.13 Indemnification

(a) General Indemnification

To the extent permitted by law, the Grantee shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Grantee in the performance of this Agreement and that are attributable to the negligence or tortuous acts of the Grantee or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

- (b) **Employee Indemnification**
In any and all claims against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Grantee or any of its subcontractors, the indemnification obligation under the Agreement shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Grantee or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, 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 provisions.
- (c) **Patent/Copyright Infringement Indemnification**
To the extent permitted by law, the Grantee shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service developed or supplied by the Grantee or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

The Grantee's duty to indemnify pursuant to this section continues in full force and effect, notwithstanding the expiration or early cancellation of the Agreement, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.14 Cancellation

The State may terminate this Agreement without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

- (a) **Termination for Cause**
In the event that Grantee breaches any of its material duties or obligations under this Agreement or poses a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may terminate this Agreement immediately in whole or in part, for cause, as of the date specified in the notice of termination. In the event that this Agreement is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Grantee shall be responsible for all costs incurred by the State in terminating this Agreement, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur.
- (b) **Termination for Convenience**
The State may terminate this Agreement for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Agreement, (b) relocation of office, program changes, changes in laws, rules, or

regulations make implementation of the services no longer practical or feasible. The State may terminate this Agreement for its convenience, in whole or in part, by giving Grantee written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Agreement in part, the Budget shall be equitably adjusted to reflect those reductions.

(c) **Non-Appropriation**

Grantee acknowledges that continuation of this Agreement is subject to appropriation or availability of funds for this Agreement. If funds to enable the State to effect continued payment under this Agreement are not appropriated or otherwise made available (including the federal government suspending or halting the program or issuing directives preventing the State from continuing the program), the State shall have the right to terminate this Agreement, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Grantee. The State shall give Grantee at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff). In the event of a termination under this section, the Grantee shall, unless otherwise directed by the State in writing, immediately take all reasonable steps to terminate its operations and to avoid and/or minimize further expenditures under the Agreement.

(d) **Criminal Conviction**

The State may terminate this Agreement immediately and without further liability or penalty in the event Grantee, an officer of Grantee, or an owner of a 25% or greater share of Grantee is convicted of a criminal offense incident to the application for, or performance of, a State, public or private contract or subcontract or grant; convicted of a criminal offense, including 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; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Grantee's business integrity.

(e) **Approvals Rescinded**

The State may terminate this Agreement without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Grantee or may be effective as of the date stated in such written notice.

2.15 No State Employees or Legislators

No member of the Legislature or Judiciary of the State of Michigan or any individual employed by the State shall be permitted to share in this Agreement, or any benefit that arises from this Agreement.

2.16 Non-Discrimination

In the performance of the Agreement, Grantee agrees not to discriminate against any employee or applicant for employment, with respect to his or her 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 disability. Grantee further agrees that every subcontract entered into for the

performance of this Agreement will contain a provision requiring non-discrimination in employment, as here specified, binding upon each subcontractor. This covenant is required pursuant to the Elliott Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq. and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Agreement.

2.17 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, et seq., the State shall not award a grant or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Grantee, in relation to the Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Agreement if, subsequent to award of the Agreement, the name of Grantor as an employer or the name of the subcontractor, manufacturer or supplier of Grantor appears in the register.

2.18 Certification Regarding Debarment

The Grantee certifies, by signature to this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal or State department or agency. If the Grantee is unable to certify to any portion of this statement, the Grantee shall attach an explanation to this Agreement.

2.19 Illegal Influence

- 1) The Grantee certifies, to the best of his or her knowledge and belief that:
 - a) No federal appropriated funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
 - b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c) The Grantee shall require that the language of this certification be included in the award documents for all grants or subcontracts and that all sub-recipients shall certify and disclose accordingly.

The State has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Agreement imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- 2) The Grantee certifies, to the best of his or her knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any State agency, a member of the Legislature, or an employee of a member of the Legislature in connection with the awarding of any state contract, the making of any state grant, the making of any state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state contract, grant, loan or cooperative agreement.

2.20 Governing Law

The Agreement shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.21 Compliance with Laws

Grantee shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in performing this Agreement.

2.22 Jurisdiction

Any dispute arising from the Agreement shall be resolved in the state of Michigan. With respect to any claim between the parties, Grantee consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non convenient or otherwise. Contractor agrees to appoint agents in the state of Michigan to receive service of process.

2.23 Assignment

Grantee shall not have the right to assign the Agreement, or to assign or delegate any of its duties or obligations under the Agreement, to any other party (whether by operation of law or otherwise), without the prior written consent of the Grantor. Any purported assignment in violation of this section shall be null and void.

2.24 Entire Agreement

The Agreement, including any Attachments, constitutes the entire agreement between the parties with respect to the grant and supersedes all prior agreements, whether written or oral, with respect to such subject matter.

2.25 Independent Contractor Relationship

The relationship between the State and Grantee is that of client and independent Contractor. No agent, employee, or servant of Grantee or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Grantee will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of the Agreement.

2.26 Conflicts

In the event of a conflict between the terms of this Agreement and any federal or state laws or regulations, the federal or state laws or regulations will supersede any contrary term contained in this Agreement.

PART 3 – PROJECT CONTROL AND REPORTS

3.1 Project Control

- 1) The selected applicant(s) will carry out the project under review of the State Grant Administrator. The Michigan Department of Energy, Labor, & Economic Growth State Grant Administrator shall have final authority over the Agency/Grantee Agreement.
- 2) Along with continuous liaison with the selected applicant(s), the State Grant Administrator will meet as needed with the selected applicant's contact person for the purpose of reviewing progress and providing necessary guidance to the selected applicant(s) in solving problems that arise.
- 3) Prior to executing any changes to the scope of the project and/or budget, the selected applicant(s) must inform the State Grant Administrator in writing outlining the proposed changes.

3.2 Monitoring and Reporting Program Performance

The selected applicant(s) will be required to assume responsibility for monitoring and reporting.

- 1) Monitoring. The selected applicant(s) shall monitor performance to assure that time schedules are being met and projected work by time period is being accomplished.
- 2) Quarterly Narrative Reports. The selected applicant(s) shall submit quarterly narrative reports to the State Grant Administrator no later than the 15th of the month following the end of the quarter. The reports should include the following information at a minimum:
 - (a) Name of selected applicant, grant number, and dates of current reporting period.
 - (b) Percent (%) completion of the project objectives.
 - (i) Include a brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent reporting period.
 - (ii) Explain the type of services provided and the anticipated energy savings as a result of the program.
 - (iii) Include actual expenditures compared to the budget in the Grant Agreement.
 - (c) Noteworthy Accomplishments.
 - (d) Brief description of problems or delays, real or anticipated, which should be brought to the attention of the State Energy Program Administrator.
 - (e) Statement concerning any significant deviation from previously agreed-upon Work Statement, Part III.
- 3) Financial Status Reports (FSR) and/or Payment Requests. The selected applicant(s) shall submit a signed and dated FSR to the State Grant Administrator indicating the amount of funds expended in each line item category of the budget. Financial status reports are due the 15th of the month. Payment requests will be submitted as needed.
 - (a) Form #C-108 shall be used for both FSRs and payment requests. Form #C-108 in MS Excel will be electronically provided to selected applicant(s) by the State Energy Program Administrator.
 - (b) Indicate in box #6 on Form #C-108 "Payment Request" or "Financial Status Report." A payment request may be submitted in lieu of or in addition to an FSR.
 - (c) Attach source documentation as specified in Part II, Section II-G, Accounting.

- (d) The expenditure of State funds shall be incurred within the grant period and reported by line item and compared to the budget.
 - (e) In-kind or matched fund expenditures must occur within the established timeline for this grant and must be supported by source documentation, as specified in Part II, Section II-G, Accounting.
 - (f) An individual authorized by the organization must sign and date Form #C-108 (box #14).
- 4) Final Narrative Report. The selected applicant(s) will do the following:
- (a) Submit one copy of the draft of the final report no later than July 31, 2011.
 - (b) After the State Grant Administrator has determined the completeness and factual accuracy of the report, the selected applicant(s) shall submit a final copy of the report to the State Grant Administrator.
 - (c) The final report shall include the following information at a minimum:
 - (i) A summary of the project implementation plan and any deviations from the original project as proposed.
 - (ii) Accomplishments and problems experienced while carrying out the project activities.
 - (iii) Analysis of data collected and wind energy potential at 100 meters.
 - (v) Actual Budget expenditures compared to the Budget in this Agreement. Include the basis or reason for any discrepancies.
 - (vi) Recommendations for next steps.
- (5) Final Financial Status Report (FSR)/Final Payment Request. The selected applicant(s) shall submit a signed and dated final FSR to the State Grant Administrator indicating the amount of funds expended in each line item category of the budget by July 31, 2011.
- (a) On Form #C-108, indicate in box #5 "Final."
 - (b) Attach source documentation as specified in Part II, Section II-G, Accounting.
 - (c) The expenditure of State funds shall be incurred within the grant period and reported by line item and compared to the budget.
 - (d) In-kind or matched fund expenditures must occur within the established timeline for this grant and must be supported by source documentation, as specified in Part II, Section II-G, Accounting.
 - (e) An individual authorized by the organization must sign and date Form #C-108 (box #14).

PART 4 – INFORMATION REQUIRED FROM APPLICANT

Grant proposals must be typed in a 12 point font with no more than 40 numbered double-spaced pages. The page count includes any cover page, and/or attachments, but does not include the executive summary or resumes. Hard copy proposal must be double-sided, and must have an original signature.

All proposals must include an executive summary. The executive summary should be placed at the beginning of the proposal, must not exceed six pages, and should include the name of the organization, the amount of grant funds requested, and an outline of the proposed project at a minimum. Initial screening of the executive summaries will be conducted to insure applicants and projects are eligible.

Applicant(s) must provide responses to each section below. Please follow the format identified by stating the section number and title followed by the response. Be as descriptive as possible and answer each question in its entirety. Some questions have multiple components. Questions that do not apply should be answered NA.

4.1 Identification of Organization

State the full name and address of the organization, the organization's federal identification number, the telephone and fax number, and if applicable provide the names, addresses, electronic mail addresses and telephone numbers of person(s) that will perform, or assist in performing, the work hereunder.

4.2 Authorized Negotiator

State the name of one (1) contact person, his/her telephone and fax number, and electronic mail address. The contact person **MUST** be authorized to be the negotiator for the proposed Grant Agreement with the State.

4.3 Management Summary

- 1) Describe the management procedure that will be used by the organization to accomplish set goals. For multi-organization projects, describe the roles and the work to be performed by each participant, business, agreements between the applicant and participants, and how the various efforts will be integrated and managed.
- 2) Describe how the organization will coordinate with other organizations to accomplish set goals.
- 3) Explain how staff will be trained and monitored.
- 4) Describe the organization's quality control measures.
- 5) Indicate the type of accounting systems/software the organization will use to account for grant funds.
- 6) Indicate whether the organization prepares financial statements and how often.
- 7) Describe the organization's internal control over accounting.
- 8) Indicate whether the organization performs internal audits of its operations.

- 9) Include a detail organizational chart including names and titles of all managers/supervisors that will contribute in any way to the project.

4.4 Project Objectives

Provide a clear, concise statement of the objectives of the proposed project. Also include objective(s) for each phase of the work.

4.5 Work Plan

- 1) Describe in narrative form the work plan and project schedule with required tasks for accomplishing the work proposed.
- 2) Indicate and justify the estimated number of staff (managers/supervisors) that will spend time working on the project, and provide a description of the work to be performed.
- 3) Provide a discussion of the proposed timeline which is correlated with the task required to complete the work. For each task identified include a title and planned completion date, milestone should be quantitative and show progress toward budget period and/or project goals.
- 4) Describe how the project will be measured and evaluated to determine success.

4.6 Personnel

Applicants must be able to staff a project team that clearly possesses talent and experience in conducting the type of work proposed. In the narrative, identify the authorized contact person and key personnel to be involved with this project, by name and title, and provide their qualifications. Also, provide the Issuing Office with a resumé for each person listed on the budget, including persons listed under in-kind or matched funds.

If other organizations will be playing a role in the proposed project in coordination with this grant, provide sufficient background information on them in order to give the Issuing Office a reasonable understanding of their qualifications.

4.7 Time Frame

The State contemplates the grant period will start in October 2009 and will end on June 30, 2011.

Applicants are required to provide a timeline for completing the planned activities and tasks for their grant project from October 19, 2009 to June 30, 2011.

4.8 Budget Consideration

To enable the Issuing Office to evaluate all project costs, applicants shall submit a proposed budget *and* a corresponding budget narrative, in accordance with the format and timeline for this project.

A budget narrative must be provided that identifies the budget line item and number, provides a detailed description for each, and includes individual unit prices (refer to Appendix A).

Changes in the budget of less than five percent of the total line item amount do not require prior written approval, but selected applicant(s) must provide notice to the State Grant Administrator.

Changes in the budget equal to or greater than 5% of the total line item amount will be allowed only upon prior review and written approval by the State Grant Administrator. A formal grant amendment must be signed by both the grantor and grantee.

Disallowed costs include but are not limited to the following: sick pay, vacation pay, holiday pay, payroll taxes, parking, tuition reimbursement/remission, vehicle allowance, car rental, seminars, conferences, meetings, subscriptions, dues, and memberships.

1) Budget Format

The proposed budget shall display four (4) headings identified as the: # Line, Budget Line Items, SEP Share, and Total. The budget line items that need to be included, at a minimum, are listed below. The budget should reflect the best estimate of actual costs. Refer to the budget example in Appendix A.

- a) Personnel – include the name and salary for each staff position to be paid for by this grant, job title, anticipated number of hours to be worked, hourly rate, basic fringe benefits, if any, totals for each position and a total for all personnel costs. Time sheets and payroll registers must be submitted and hours worked must be grant related. Fringe benefits cannot exceed 50 percent of the employee's salary. Allowable benefits include health insurance, dental insurance, and optical insurance.
- b) Supplies, Materials, & Equipment – please specify unit(s) and unit cost.
- c) Contractual Services – must be competitively bid. See Section 2.9
- d) Travel – please specify; travel rates may be obtained at beginning and ending mileages, destination, and reason for travel. Out-of-state travel must be directly related to the grant project and approved by the State Grant Administrator.
- e) Other Expenditures – please specify item(s) and costs.
- f) Indirect Costs – please list items separately; indirect costs shall be based on a percentage of budget line items listed under the State share column only; carry-out to four (4) decimal places. Indirect costs can be defined as costs not directly or specifically related to the grant program, but are costs of administering the company and must be spread over a number of products, services, or grant programs proportionately. Examples include but are not limited to office supplies, utilities, rent, maintenance and repair, insurance, accounting and bookkeeping services, legal services, and grant administration. Please refer to Appendices B and C for the calculation of the organization's indirect cost percentage, and indirect cost allocable to the SEP grant.
- g) Total – project amounts for each column.
- h) Direct Costs – costs that are approved by the Issuing Office and incurred in direct relation to producing specific goods or performing a specific service in association with the proposed grant project. Typical direct costs are: compensation of

employees for the time devoted and identified specifically to the performance of the grant award; cost of materials acquired, consumed, or expended specifically for the grant award; equipment and other approved capital expenditures; and travel expenses incurred specifically to carry out the grant.

2) Additional Budget Information

- a) At such time that proposals are approved by the Commission, modifications of proposals may be necessary. If the Commission does not award the total amount requested in the original proposal, selected applicant(s) will be required to submit a revised proposal for the purpose of entering into a Grant Agreement. For those receiving less than requested in their proposals, the proportion of direct costs to indirect costs will remain the same as in their original request. New line items to the revised budget are not allowed.
- b) Selected applicant(s) assumes the responsibility for ensuring the grant project is performed within the established timeline.
- c) Selected applicant(s) assumes the responsibility of ensuring all unexpended grant funds are returned to the state of Michigan at the end of the grant period. Failure to do so may render the selected applicant(s) ineligible for future grant awards that may be available from the SEP.
- d) If the entire State share of the grant award is expended, the entire in-kind and/or matched funds must be spent and supported by source documentation. If the entire State share of the grant award is not spent, the in-kind and/or matched funds may be reduced proportionately by the percentage of the grant award not spent.
- e) Indirect costs *must be proportionately reduced* if the selected applicant(s) does not expend the entire grant award by the end of the grant term. The adjustment for the reduction shall be calculated by determining the percentage of the grant not spent. This percentage is the amount to be reduced from the indirect costs total. Indirect costs shall be based on a percentage of the budget line items listed under the State share column. Indirect costs must be utilized for this grant within the established timeline.
- f) Provide details on other funds available to the applicant's organization that will be used directly for this grant project, or to cover administrative and overhead expenses, and the anticipated source of those funds.
- g) Selected applicant(s) may not commingle grant award funds with current or future grant funds received from the SEP. Grants from each funding source must be managed, reported, and accounted for separately from all funding sources.
- h) Should selected applicant(s) cease business operations or dissolve the program established under this grant, existing capital must be returned to the state of Michigan.
- i) Competitive Bidding. Selected applicant(s) assumes responsibility to select subcontractors on a competitive basis. Subcontractors may be non-profit or for-profit entities.
 - (i) Bids should be solicited from non-affiliated companies.

- (ii) A minimum of three (3) bids must be received and must include, at a minimum:
 - (a) Name of selected applicant(s), grant number, and grant period; and
 - (b) The type, number, and description of projects as described in the proposal.
- (iii) The selected applicant(s) must award the project to the lowest bid. A higher bid selection must have prior written approval by the State Grant Administrator.
- (iv) When awarding subcontracts, the selected applicant(s) shall ensure that preference is given to products manufactured or services offered by Michigan-based firms.

4.10 Additional Information and Comments

Include in this section any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP. In addition, the applicant must confirm all requirements of the Addendum to Part 2 – General Provisions as attached are met.

4.11 Certification of Proposal

Please sign the proposal and include the following language:

I certify that all information contained in the proposal is true to the best of my knowledge and belief, and that the organization is in compliance and agreement with all sections of the request for proposal.

Certified by: _____

Authorized Signatory and Title
Name of Organization
Telephone Number
Fax Number
Email Address

PART 5 - SCORING CRITERIA

All proposals received shall be subject to an evaluation by the Issuing Office. The evaluation will be conducted to select an organization to perform the proposed grant project within the established timeline. Initial screening of the executive summaries will be conducted to insure applicants and projects meet eligibility requirements.

All proposals will receive an initial screening to ensure that the eligibility criteria are met. Proposals failing to meet the eligibility requirements described in Part I, Section 1.9, and the requirements of the Addendum to the General Provisions – Part 2 will be rejected automatically. Proposals meeting the eligibility requirements will be evaluated according to the selection criteria below.

Total points equal 100.

1. Experience of organization and project team (20 points):

- (a) Experience of organization and project team related to wind energy. (5 points)
- (b) Experience of organization and project team related to wind data collection and analysis. (15 points)

2. Management summary (15 points):

- (a) Is the management team qualified to carry out the project (5 points)?
- (b) Effectiveness of quality control measures (5 points).
- (c) Adequacy of internal control over accounting (5 points).

3. Proposed project (20 points):

- (a) Does the project scope of work address the objective of RFP (5 points)?
- (b) Will program provide economic benefits, job growth and/or job retention for those who live and work in Michigan (5 points)?
- (c) Will project have a significant impact on Michigan's economy (5 points)?
- (d) Potential for the project to advance wind energy in Michigan (5 points) ?

4. Work plan (25 points):

- (a) Are project objectives clearly defined (2 points)?
- (b) Reasonableness of timeline for completion of project (3 points).
- (c) The quality of the plan to develop and implement the project (20 points).

5. Budget (20 points):

- (a) Budget line items are reasonable and detailed as requested (5 points).
- (b) Ability to minimize administrative and overhead costs (5 points).
- (c) The ability to leverage additional funds (10 points). Points will be awarded as follows:
 - 80% - 100% = 10 points
 - 60% - 79% = 7 points
 - 40% - 59% = 5 points
 - 20% - 39% = 3 points
 - 1% - 19% = 1 points
 - <1% = 0 points

APPENDIX A

4.9 Budget Considerations
(Organization's Name)

Line #	Budget Line Items	SEP Share	In-Kind Or Matched	Total
1	Personnel			
2	Salary: Name, job title, hours x rate of pay	0	0	0
3	Rounding Factor for Salaries (round-up to nearest dollar)	0	0	0
4	Basic Benefits: Associated with job title above. Be specific.	0	0	0
5	Rounding Factor for Benefits (round-up to nearest dollar)	0	0	0
6	Total Salaries	0	0	0
7	Total Basic Benefits:	0	0	0
8	Total Personnel:	0	0	0
9	Direct Supplies, Materials, and Equipment	0	0	0
10	Name of item, number of units x cost/unit	0	0	0
11	Total Supplies, Materials, and Equipment:	0	0	0
Contractual Services (must be competitively bid)				
12	In narrative explain how bidding will be conducted List Services			
13	(In narrative describe service to be performed)	0	0	0
14	Total Contractual Services-Bid Out:	0	0	0
Travel (must use State of Michigan travel rates and limited to in-state)				
15	In narrative provide reason for travel.			
16	Name and job title	0	0	0
17	Meals for this individual	0	0	0
18	Lodging for this individual	0	0	0
19	Mileage for this individual (\$.399 per mile)	0	0	0
20	Total Travel:	0	0	0
Other Expenses				
21	In narrative provide detailed explanations			
22	Name of Item, number of units x cost/unit	0	0	0
23	Total Other Expenses:	0	0	0
Indirect Costs (Not to exceed 20%)				
24	Decimal percentage: . _ _ _ _			
25	See Appendices B and C	0	--	--
26	Total Indirect Costs:	0	--	--
27	Total Project Costs:	0	0	0

APPENDIX B

Indirect Calculations:

In lines 1-14 enter all indirect costs associated with the operations of your organization, during the previous year.

1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Total*	0.00
16	Percentage - SEP grant award divided by total revenue**	
17	Multiply line 15 by line 16 (equals total Indirect related to this grant program)	
18	Subtract line 17 from total Grant Award	
19	Divide line 17 by line 18 (Indirect percentage)	
20	Not to exceed 20%***	

*The above expenses are based on a 12 month grant cycle. If this were a 9 month grant cycle, the total indirect expenses (line 15) should be divided by 12 and then multiplied by 9 before moving onto line 16.

**Calculate total revenue for the grant cycle and divide the SEP grant award by that amount.

***If line 15 exceeds 20%, Indirect must default to 20%.

APPENDIX C

Indirect Calculations:
SAMPLE

In lines 1-14 enter all indirect costs associated with the operations of your organization, during the previous year.

1	Rent	12,000.00
2	Utilities	9,800.00
3	Computer Maintenance	7,800.00
4	Office Supplies	3,600.00
5	Building Maintenance	4,700.00
6	Administrative Assistant	23,000.00
7	Administrative Assistant Benefits	11,500.00
8	Legal	2,000.00
9	Accountant	6,000.00
10	Insurance	16,000.00
11	Grant Administrator	46,000.00
12	Grant Administrator Benefits	23,000.00
13		
14		
15	Total*	165,400.00
16	Percentage - SEP grant award divided by total revenue**	0.6667
17	Multiply line 15 by line 16 (equals total Indirect related to this grant program)	\$110,266.67
18	Subtract line 17 from total Grant Award	889,733.33
19	Divide line 17 by line 18 (Indirect percentage)	0.1239
20	Not to exceed 20%***	

*The above expenses are based on a 12 month grant cycle. If this were a 9 month grant cycle, the total indirect expenses (line 15) should be divided by 12 and then multiplied by 9 before moving onto line 16. (i.e. $\$165,400/12 = 13783.34$, $\$13783.34 \times 9 = \$124,050.06$).

**Calculate total revenue for the grant cycle and divide the SEP grant award by that amount.

***If line 15 exceeds 20%, Indirect must default to 20%.

Addendum to Part II – General Provisions

SOLICITATION & AWARD TERMS FOR GRANT AGREEMENTS THAT INCLUDE FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5

Grant Agreements must require recipients and sub-recipients to:

- 1. Maintain current registrations in the Central Contractor Registration (CCR) database. <http://www.ccr.gov>**
- 2. Report quarterly on project activity status in addition to any reporting requirements that currently apply to recipients of federal funds**
- 3. Follow Buy American guidelines (Sec. 1605 of ARRA Act and Sec. 5.020 of this document)**
- 4. Implement wage rate requirements (Sec. 1606 of ARRA Act and Sec. 5.030 of this document)**
- 5. Ensure proper accounting and reporting of Recovery Act expenditures in Single Audits.**

**Terms and Conditions for American Recovery and Reinvestment (ARRA) of 2009
Funded Grants**

5.000 Sub-Recipients Requirements

Grantee shall include these terms, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

5.010 Reporting & Registration Requirements (Section 1512)

Division A, Title XV, Section 1512 of the ARRA outlines reporting requirements. Not later than ten calendar days after the end of each calendar quarter, the State must submit a report that, at a minimum, contains the information specified in Section 1512 of the ARRA. It is imperative all grants involving the use of ARRA funds include requirements that the Grantee supply the State with the necessary information to provide these reports (see RFP Section 1.042 Reports) in a timely manner. More detail will follow regarding the timing and submission of reports.

The Grantee's failure to provide complete, accurate, and timely reports shall constitute an "Event of Default". Upon the occurrence of an Event of Default, the state department or agency may terminate this grant upon 30 days prior written notice if the default remains uncured within five calendar days following the last day of the calendar quarter, in addition to any other remedy available to the state department or agency in law or equity.

5.020 Buy American Requirement (Section 1605)

5.022 REQUIRED Use of American Iron, Steel, and Other Manufactured Goods

(a) **Definitions.** As used in this Section 5.020 —

"Designated Country" means Aruba, Australia, Austria, Belgium, Bulgaria, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

"Designated country iron, steel, and/or manufactured goods" mean iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of a Designated Country; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in a Designated County into a new and different manufactured good distinct from the materials from which it was transformed.

"Domestic iron, steel and/or manufactured good" is iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of the United States; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another county, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed.

There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of goods occurs in the United States.

"Federal Agency" means the department or agency of the federal government that awarded

funds to the State of Michigan from the ARRA that finance the project described in this RFP.

“Foreign iron, steel and/or manufactured good” means iron, steel and/or manufactured good that is not domestic or Designated country iron, steel and/or manufactured goods.

“Manufactured good” means a good brought to the construction site for incorporation into the building or work that has been--

(1) Processed into a specific form and shape; or

(2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

“Public building” and “public work” means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

“Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This term and condition implements:

(i) Section 1605(a) of Division A, Title XVI of the ARRA by requiring that all iron, steel, and manufactured goods used in the public building or public work are produced in the United States; and

(ii) Section 1605(d) of Division A, Title XVI of the ARRA, which requires the application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of Section 1605 of the ARRA do not apply to Designated country iron, steel, and/or manufactured goods procured for projects with an estimated value of \$7,433,000 or more.

(2) The Grantee shall use only domestic or Designated country iron, steel and/or manufactured goods in performing work funded in whole or in part with funds available under the ARRA, except as provided in subparagraphs (3) and (4) of this paragraph (b).

(3) The requirement in paragraph (2) of this Section 5.022(b) does not apply to the material listed by the Federal Agency as follows:

[List applicable excepted materials or indicate “none”]

(4) The Federal Agency may add other iron, steel, and/or manufactured goods to the list in paragraph (b) (3) of this Section if the Federal government determines that—

(i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;

(ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) The application of section 1605 of the ARRA would be inconsistent with the public interest.

(c) *Request for determination of inapplicability of Section 1605 of the ARRA.*

(1)(i) Any Bidder’s request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b) (4) of this Section shall include adequate information for Federal Agency evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

- (E) Time of delivery or availability;
 - (F) Location of the project;
 - (G) Name and address of the proposed supplier; and
 - (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this term and condition.
- (ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this Section.
- (iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.
- (iv) Any Grantee's request for a determination submitted after ARRA funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the Grantee could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the Grantee does not submit a satisfactory explanation, the Federal Agency need not make a determination.

(2) If the Federal Agency determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the ARRA applies, the State will amend the grant to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended grant shall reflect adjustment of the grant amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the State shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Agency determines that an exception to section 1605 of the ARRA applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) **Data.** To permit evaluation of requests under subparagraph (b)(4) of this Section based on unreasonable cost, the Bidder shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON				
Description	Unit of Measure	Quantity	Cost (Dollars)*	
Item 1:				
Foreign steel, iron, or manufactured good	_____	_____	_____	
Domestic steel, iron, or manufactured good	_____	_____	_____	
Item 2:				
Foreign steel, iron, or manufactured good	_____	_____	_____	
Domestic steel, iron, or manufactured good				
<p>[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.] [Include other applicable supporting information.] [* Include all delivery costs to the construction site.]</p>				

5.024 Notice of Required Use of American Iron, Steel, and Other Manufactured Goods

REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS— SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

(a) Definitions. “Designated country iron, steel and/or manufactured goods,” “domestic iron, steel and/or manufactured goods,” “Federal Agency,” “Foreign iron, steel and/or manufactured good,” “Manufactured good,” “public building and public work,” and “steel,” as used in this Section, are defined in Section 5.022(a).

(b) **Requests for determinations of inapplicability.** A prospective Bidder requesting a determination regarding the inapplicability of section 1605 of the ARRA should submit the request to the Federal Agency in time to allow a determination before submission of applications or proposals. Bidders should provide a copy of this request to DELEG. The prospective applicant shall include the information and applicable supporting data required by paragraphs (c) and (d) of Section 5.022 of this RFP in the request. If Bidder has not requested a determination regarding the inapplicability of Section 1605 of the ARRA before submitting its application or proposal, or has not received a response to a previous request, the applicant shall include the information and supporting data in the application or proposal. The Federal Agency is sole entity authorized to make determinations regarding the inapplicability of Section 1605 of the ARRA.

(c) *Evaluation of project proposals.*

If the Federal Agency determines that an exception based on unreasonable cost of domestic iron, steel, and/or manufactured goods applies, the State will evaluate a project requesting an exception to the requirements of section 1605 of the ARRA by adding to the estimated total cost of the project 25 percent of the project cost, if foreign iron, steel, or manufactured goods are used in the project based on unreasonable cost of comparable manufactured domestic iron, steel, and/or manufactured goods.

(d) *Alternate project proposals.*

(1) When a project proposal includes foreign iron, steel, and/or manufactured goods, other than Designated country iron, steel and/or manufactured goods, not listed in paragraph (b)(3) of the Section 6.022, the Bidder also may submit an alternate proposal based on use of equivalent domestic iron, steel, and/or manufactured goods.

(2) If an alternate proposal is submitted, the Bidder shall submit a separate cost comparison table prepared in accordance with paragraphs (c) and (d) of Section 5.022 the this RFP for the proposal that is based on the use of any foreign iron, steel, and/or manufactured goods for which the Federal Agency has not yet determined an exception applies.

(3) If the Federal Agency determines that a particular exception requested in accordance with paragraph (b) of Section 5.022 of this RFP does not apply, the State will evaluate only those proposals based on use of the equivalent domestic or designated country iron, steel, and/or manufactured goods, and the Grantee shall be required to furnish such domestic or designated country items.

5.030 Wage Rate Requirements (Section 1606)

All laborers and mechanics employed by grantees, subgrantees, contractors and subcontractors on projects funded in whole or in part with funds available under the ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality, as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code. (See ARRA Sec. 1606 & RFP Section 2.204 Prevailing Wage). The Secretary of Labor’s determination regarding the prevailing wages applicable in Michigan is available at <http://www.gpo.gov/davisbacon/mi.html>.

5.040 Inspection & Audit of Records

The Grantee shall permit the United States Comptroller General or his representative or the appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1998 or his representative (1) to examine any records that directly pertain to, and involve transactions relating to, this grant; and (2) to interview any officer or employee of the Grantee or any of its subcontractors/subgrantees regarding the activities funded with funds appropriated or otherwise made available by the ARRA.

5.050 Whistle Blower Protection for Recipients of Funds

Grantee shall not discharge, demote or otherwise discriminate against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract or grant relating to Covered Funds; (2) a gross waste of Covered Funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of Covered Funds; an abuse of authority related to implementation or use of Covered Funds; or (5) a violation of law, rule, or regulation related to an agency grant (including the competition for or negotiation of a grant) or grant, awarded or issued relating to Covered Funds. In this Subsection, "Covered Funds" shall have the same meaning as set forth in Section 1553(g)(2) of Division A, Title XV of the ARRA.

(a) Recipient must post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA. (For the Michigan Civil Service Whistle Blowers Rule 2-10 link to: http://www.michigan.gov/mdcs/0,1607,7-147-6877_8155-72500--00.html)

(b) The Grantee shall include the substance of this clause including this paragraph (b) in all subcontracts and subgrants.

5.060 Funding of Programs

The Grantee acknowledges that the programs supported with temporary federal funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, will not be continued with state financed appropriations once the temporary federal funds are expended.

5.070 Fixed Price- Competitively Bid

Grantee, to the maximum extent possible, shall award any subgrants or subcontracts funded, in whole or in part, with ARRA funds as fixed-price contracts through the use of competitive procedures.

5.080 Segregation of Costs

Grantee shall segregate obligations and expenditures of ARRA funds from other funding. No part of funds made available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be comingled with any other funds or used for a purpose other than that of making payments for costs allowable under the ARRA.

5.090 Publication

All grant solicitations funded in whole or in part with ARRA funds will be posted on the respective DELEG bureau website. All grants resulting from the ARRA will be published on the State of Michigan's Recovery Web site, www.michigan.gov/recovery.

Grantee shall include the Michigan Recovery logo on all signage or other publications in connection with the activities funded by the State of Michigan through funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

5.100 Buy Michigan Preference

A preference is given to products manufactured or services offered by Michigan-based firms if all other things are equal and if not inconsistent with federal statute (see MCL 18.1261).

5.110 Non-Discrimination

The Grantee shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and other civil rights laws applicable to recipients of Federal financial assistance (see RFP Section 2.201 Non-Discrimination).

5.120 Prohibition on Use of Funds

None of the funds made available under this grant may be used for any casino or other gambling establishment, aquarium, zoo, golf course, swimming pools, or similar projects.

5.130 False Claims Act

The Grantee shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

5.140 Conflicting Requirements

Where ARRA requirements conflict with existing state requirements, ARRA requirements control.

5.150 Job Opportunity Posting Requirements

Grantee shall post notice of job opportunities created in connection with activities funded in whole or in part with ARRA funds in the Michigan Talent Bank, www.michworks.org/mtb.

ATTACHMENT 1

DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH – BUREAU OF ENERGY SYSTEMS

PROJECT MANAGEMENT FORM

FINANCIAL INFORMATION

PROVIDE ALL INFORMATION REQUESTED ON THIS FORM

Name of Financial Contact:

Project Title:

Please check or fill-in response where appropriate.

1. Have you had prior Federal awards? Yes No

2. Have you had an outside audit or an A-133 audit? Yes No

If yes, please provide most recent copy of the A-133 or outside audit.

INFORMATION FOR DETERMINING COGNIZANT AGENCY/OFFICE

3. Applicant's fiscal year end date is _____

4a. Identify Cognizant **Federal** Agency (agency providing the preponderance of Federal funding), and provide Agency name, a point of contact, phone number, and e-mail.

Agency: _____

Point of Contact: _____

Phone: _____

E-mail: _____

4b. To assist our office in validating Cognizant **Federal** Agency (4a), please provide following information for the five highest dollar award value for current Federal contracts, grants or awards (do not include sub-awards). (State Agencies and Universities can skip 4b)

Contract/Award #	Awarding Agency	Awarding Office	Start Date	End Date	Total Value

5a. If applicant has current DOE awards, identify Cognizant DOE **Office** (office providing the preponderance of DOE funding), and provide DOE office name, a point of contact, phone number, and e-mail.

Contract/Award #: _____

DOE Office: _____

Point of Contact (Contracting Officer): _____

Phone: _____

E-mail: _____

Awarding Agency: _____

5b. To assist our office in validating Cognizant DOE Office (5a), please provide following information for the five highest dollar value awards for current DOE contracts, grants or awards (do not include sub-awards). (State agencies and Universities can skip 5b)

DOE Contract/Award #	DOE Awarding Office	Start Date	End Date	Total Value

FINANCIAL MANAGEMENT SYSTEM

To qualify for Financial Assistance, compliance with 10 CFR 600.121 – Higher Education, Hospitals, and Other Nonprofit Organizations, 10 CFR 600.220(b) – State and local Government required or 10 CFR 600.311 – For-Profit Organizations is required. Please check applicable boxes below,

- The Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.311.
- I do not know if my Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.31 1. If this block is checked, complete the survey below.

Accounting System Survey

Yes No N/A

1. Is your Accounting System in accordance with Generally Accepted Accounting Principles applicable to the circumstances?

2. Accounting System provides for:
- a. Segregation of direct costs from indirect costs.
 - b. Identification and accumulation of direct costs by project.
 - c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives (Project is final cost objective)
 - d. Accumulation of costs under general ledger control.
 - e. A timekeeping system that identifies employees' labor by intermediate and final cost objectives.
 - f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.
 - g. Interim (at least monthly) determination of costs charged to a project through routine posting of books of account.

Accounting System Survey continued

Yes No N/A

- h. Excluding costs charged to Government projects which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other provisions.
 - i. Identification of costs by project line item and by units (as if each unit or line item were a separate project) if required by the proposed award.
3. Is the Accounting System designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in developing cost proposals?
4. Is the Accounting System currently in full operation?

ATTACHMENT 2
Internal Controls Questionnaire

	BUDGETS	Y	N	NA	COMMENTS
1.	Did the company formally adopt a budget for the general fund and all special revenue funds in accordance with state law before the start of the fiscal year?				
2.	Are detailed budget vs. actual reports prepared monthly and reviewed by department heads or others in management?				
	SEGREGATION OF DUTIES				
3.	Are the following accounting functions and duties normally performed by separate employees?				
a.	Physically receipting cash or checks (either by mail or over the counter) and preparing or making bank deposits.				
b.	Authorizing or approving invoices for payment and printing or otherwise preparing checks.				
c.	Handling cash receipts or disbursements and preparing bank reconciliations or having direct access to the general ledger.				
d.	Initiating ACH wire transfers and preparing bank reconciliations or having direct access to the general ledger.				
4.	When staffing constraints require two or more key financial duties to be performed by a single individual, is his/her work reviewed by a responsible official?				
5.	Are employees with key financial responsibilities required to take vacations, with others performing their duties in their absence?				
	CASH HANDLING				
6.	Are authorized bank accounts and check signers periodically approved by the governing body?				
7.	Are all cash receipts accounted for sequentially, and filed with supporting documentation?				
8.	Are all bank deposits supported by one or more sequential cash receipts?				
9.	Are cash receipts stored in a physically safe				

	(locked) location until taken to the bank?				
10.	Is access to each petty cash box limited to a single custodian?				
11.	Are petty cash reimbursements periodically reviewed or reconciled by an individual other than the custodian?				
12.	Are completed bank reconciliations reviewed by an individual other than the preparer?				
13.	Are investments managed by a responsible official with knowledge of the company's investment policy?				
14.	Are detailed records maintained for all investments regarding purchase date, cost, maturity date, interest rate, etc.?				
15.	Are investment statements reconciled to the general ledger monthly by an individual not responsible for managing the investment?				
	BILLING AND ACCOUNTS RECEIVABLE				
16.	When customers pay bills in person (i.e. at the counter), are they either given a receipt or have their bills stamped as paid?				
17.	Are monthly or quarterly statements sent to all customers?				
18.	Are past due or credit balances reviewed by someone other than the individual responsible for billing before making any adjustments to write-off or refund accounts?				
	PURCHASING AND ACCOUNTS PAYABLE				
19.	Are all purchases supported by either a purchase order or check request, signed by an authorized individual not responsible for preparing checks?				
20.	Are the expense distributions for all purchases reviewed and approved by the department requesting payment?				
21.	Are new vendors approved by someone other than the individual responsible for processing accounts payable?				
22.	Are all checks either (a) hand signed by an authorized individual not responsible for preparing the checks, or (b) if mechanically or electronically signed, is a check register reviewed by an authorized individual not responsible for preparing the checks?				

23.	Is unused check stock stored in a physically safe (locked) location?				
24.	When checks are voided or spoiled, are they stamped VOID and retained?				
	PERSONNEL AND PAYROLL				
25.	Are accounting personnel subject to a background check prior to hiring?				
26.	Are new employees approved by someone other than the individual responsible for processing payroll?				
27.	Are the pay rates of all employees approved annually by the governing body and appropriately documented?				
28.	Do all non-salaried employees prepare timecards, timesheets, or other evidence of time worked?				
29.	Are time and attendance records approved and signed by an appropriate supervisor prior to processing payroll?				
30.	Before running payroll checks, is a payroll register reviewed and approved by an authorized individual not responsible for preparing the checks?				
31.	Do employee pay stubs display a detail of hours worked, gross pay, and all withholdings and deductions?				
32.	Are withholding accounts periodically reviewed and reconciled to ensure that all required payments are made on a time basis?				
	INVENTORY				
33.	Are inventories adequately safeguarded against loss, theft, or misuse by being kept in locked enclosures with restricted access?				
34.	Are perpetual inventory records maintained and periodically compared against physical counts.				
35.	Are adjustments to inventory balances (due to loss or spoilage) reviewed and approved by an appropriate individual?				
	CAPITAL ASSETS				
36.	Are detailed capital asset records maintained, including acquisition date, useful life, and historical cost?				

37.	Are capital assets that are susceptible to theft (e.g. vehicles, computers, etc.) appropriately inventoried and monitored throughout the year?				
38.	Are capital asset records reviewed annually by various departmental representatives or additions and disposals?				
39.	Are depreciation schedules updated annually, and reviewed by a responsible official?				
	DEBT				
40.	Are all new borrowings and leases allowable under state law and properly approved by the governing body?				
41.	Does management periodically determine that the government is complying with all applicable debt covenants and other compliance requirements?				
42.	Does an appropriate official oversee the use of bond proceeds to ensure they are only spent on allowable costs and activities?				
	GENERAL LEDGER AND JOURNAL ENTRIES				
43.	Are all balance sheet accounts periodically reviewed and reconciled against supporting documentation and subsidiary ledgers, where appropriate?				
44.	Are all journal entries reviewed and approved by an employee other than the preparer?				
45.	Are all journal entries accounted for sequentially, and filed with supporting documentation?				
46a.	Is access to computerized accounting records restricted to authorized individuals (e.g., by using passwords)?				
46b.	If used, is the authorization/password process, permitting access to accounting records, overseen by other than accounting personnel?				
47.	Do software controls prevent accounting transactions from being deleted or modified once posted?				
	GRANT ADMINISTRATION				
48.	Are all new grant agreements properly approved by the governing body prior to requesting funds?				

49.	Are all grant expenditures reviewed by a project manager knowledgeable of the grant requirements to ensure only eligible expenditures are incurred?				
50.	Are all reimbursement requests reviewed by a responsible official to ensure that they are in agreement with the accounting records?				