



## **Michigan Renewable Energy Demonstration Program**

**REQUEST FOR PROPOSALS**

*Round 2: Biomass Energy*

**Response Due: February 15, 2013**

**Michigan Energy Office  
Michigan Strategic Fund  
300 N. Washington Square  
Lansing, MI 48913**

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**Michigan Renewable Energy Demonstration Program  
Request for Proposals, Round 2: Biomass Energy**

**PART I  
GENERAL INFORMATION**

**I-A Purpose**

The goal of the Michigan Renewable Energy (RE) Demonstration Program is to fund feasibility and demonstration projects that have the potential to drive down the installed cost/unit-of-energy for renewable energy (RE) applications in relation to other energy options in the state. The program will invest tax-payer dollars only in those demonstration projects that have the clear potential to deliver clear and compelling scientific, technical, and deployment benefits to the state.

The strategy for accomplishing this goal is to provide funding for projects that can demonstrate the feasibility, improve cost-effectiveness, and identify/address/reduce the market barriers of innovative renewable energy technologies not yet widely adopted in Michigan. Round 2 of the program will provide funding exclusively for Biomass Energy feasibility and demonstration projects. Biomass is defined as any organic matter, which is available on a renewable basis through natural processes or as a by-product of human activity, such as agricultural crops and residues, wood and wood residues, yard and food waste, biosolids, and biogas. Bioenergy includes electricity, thermal, combined heat and power (CHP), and liquid and gaseous transportation fuels.

This grant program aims to assist projects that are economically credible, low-emission, and fueled by a biomass feedstock. Examples of pertinent projects could include, but are not limited to: a demonstration of improved fuel or energy-production efficiency; the application of an existing biomass energy technology in an innovative or lower-cost manner; a plan to address the management and conversion of biomass feedstock materials to energy at a host site or in cooperation with potential users of the technology; expanding the market for biofuels such as ethanol and biodiesel; developing strategies to reduce supply chain costs and barriers related to biomass energy projects; developing policy recommendations, best practices, or other tools to facilitate the strategic deployment of biomass energy in the state; developing emission factors for stationary energy units which use biomass as a feedstock; and feasibility studies. Proposals may be subject to a technical review.

Applicants are strongly encouraged to engage potential stakeholders (e.g., organizations representing local government(s), local governments, universities, regional economic development specialists, businesses, industry associations, investors, utilities, etc.) early-on in the process to achieve community input and support.

This Request for Proposal(s) (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. The activities in the proposed grant(s) are expected to cover six months, from March 1, 2013 through August 30, 2013. Applicants should be prepared to implement projects upon notice of award.

### I-B Eligibility Requirements

Businesses, non-profit organizations, universities, local governments, and other public organizations are eligible to submit proposals. Applicants are encouraged to engage and partner with other entities in the public and/or private sectors to increase overall project impacts and achieve program objectives (see I-A, Purpose above). Only one proposal per organization is allowed. However, proposals from different departments of a single university are acceptable. All projects must be based in Michigan and submitted in accordance with the requirements of Section V, Information Required from Applicants.

This grant program aims to assist projects that are economically competitive and fueled by a biomass feedstock. Projects must contribute to the deployment/enhanced performance of fully commercialized biomass energy fuels and/or technologies (e.g. innovative applications, demonstrations, marketing and technical assistance, feasibility studies).

### I-C Issuing Office and Point of Contact:

This Request for Proposal (RFP) has been issued by the Michigan Energy Office (MEO), an office of the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC). All questions regarding this solicitation should be directed to:

Tania M. Howard  
 Michigan Energy Office  
 Michigan Economic Development Corporation  
 300 N. Washington Square  
 Lansing, MI 48913  
 Phone: (517) 241-6223; Email: [howardt4@michigan.gov](mailto:howardt4@michigan.gov)

### I-D Grant Award

A total of \$44,000 is budgeted for the program. Approximately 2 awards are expected to be made (in the range of \$22,000/ea). Note: The use of these grant funds is limited to the costs outlined in the applicant's approved budget. The grants that may be entered into will be those which are most advantageous to the State, selection criteria considered. Matching funds (cash and/or in-kind) must be applied to direct project costs and cannot be from a MEO or federal funding source (see Sections I-U and V-K).

The MSF will award funds to applicants that agree to the terms set forth in this RFP. The MEO, on behalf of the MSF, may negotiate the scope of work, budget, reporting periods, report format and reporting content. All other requirements are nonnegotiable. Funds must be expended by August 30, 2013.

### I-E Rejection of Proposals

The MSF 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 and MSF. The MFS will not 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 and the MSF is not liable for any costs incurred by an applicant prior to issuance of a grant agreement.

I-G Pre-proposal Conference

No pre-proposal conference will be held for this RFP. Any 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 to the Michigan Energy Office by email only. **Telephonic questions cannot be answered.** All questions must be submitted on or before 5:00 PM, February 1, 2013. Submit questions to Tania M. Howard via e-mail at: [howardt4@michigan.gov](mailto:howardt4@michigan.gov).

I-I Changes to the RFP

Written answers to questions will be posted on the Michigan Energy Office's website at <http://www.michigan.gov/energyoffice> by February 6, 2013.

I-J Response Date

**Proposals must arrive at the Issuing Office by 5:00 p.m. on February 15, 2013.**

Mail proposals to: Tania M. Howard, Michigan Energy Office, 300 N. Washington Square, Lansing, Michigan, 48913; Hand delivery: Michigan Energy Office, 300 N. Washington Square, 2<sup>nd</sup> Floor, Lansing, Michigan, 48913. Applicants mailing proposals should allow normal delivery time to ensure timely receipt of their proposal. Proposals must be submitted as complete documents. Additional information pertaining to a proposal received after the due date will not be accepted.

I-K Proposals

To be considered, applicants must submit a complete response to this RFP, using the format provided in Part V. An original signature copy plus two additional hard copies and one electronic copy of each proposal must be submitted to the Issuing Office. A PDF document on a compact disc is the preferred electronic copy. No other distribution of proposals shall be made by these applicants. An official who is authorized to bind the applicant to its provisions must sign the proposal. For this RFP, the proposal must remain valid for at least sixty (60) days.

I-L Acceptance of Proposal Content

The contents of this RFP and the proposal of the selected applicant become grant obligations if a grant award ensues. Failure of the selected applicant to accept these obligations will result in cancellation of the award. 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 successful applicant(s) will be required to enter into a grant agreement with the State within 30 days of being notified of funding availability. The agreement consists of standard contract

language, applicant's work plan, timetable, and budget information, a compensation clause that adheres to the guidelines in this solicitation, and terms and conditions that outline other requirements.

Note: the State reserves the right to award funds for an amount other than that requested and/or request changes to, or clarification of, any and all proposals received as a result of this RFP.

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. Professional 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 an opportunity for the applicant to clarify the proposal to ensure thorough mutual understanding. The Issuing Office will schedule these presentations if determined to be necessary.

I-O Prime Applicant Responsibilities

The selected applicant will be required to assume responsibility for all grant activities offered in the proposal, whether or not that applicant performs them. Further, the State will consider the selected applicant (Grantee) to be the sole point of contact with regard to grant matters, including, but not limited to payment of any and all costs resulting from the anticipated grant. If any part of the work is to be subcontracted, the Grantee must notify the State and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, descriptive information concerning subcontractor's organizational abilities, Federal Employer Identification Number (FEIN), DUNS number, and/or state license number. The State reserves the right to approve subcontractors for the project and to require the Grantee to replace subcontractors found to be unacceptable. The Grantee is totally responsible for adherence by the subcontractor to all provisions of 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: Progress payments up to a total of 85 percent of the state grant amount may be made to the Recipient upon receipt and approval by the Project Manager of a billing statement detailing the work for which payment is requested has been performed in accordance with the terms of the grant. All invoices or other documentation required to properly demonstrate that all costs claimed have been incurred and necessary match funds expended in the course of performing this grant shall be submitted with each billing statement. The payment of the final 15 percent of the grant amount shall be made only after the Project Manager has received and approved the final report.

I-Q News Releases

News releases pertaining to this RFP or the project to which it relates will not be made without prior approval, and then only in coordination with the Michigan Energy Office.

I-R Disclosure of Proposal Contents

All information in a bidder's proposal and any Grant resulting from this RFP is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq.

I-S Copyrighted Materials

The selected applicants shall agree to grant to the State a nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of all material developed as a result of this project. The selected applicants shall further agree not to copyright any material developed as a result of the project.

I-T Ineligible Applicants

Any organization not specified in Section I-B. Also, any entity which is considered ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits, according to the [Excluded Parties List System \(EPLS\)](#).

I-U Matching Fund Requirements

As the State Energy Program is required to leverage funds to the maximum achievable level, a **1:1 match** of the *total requested grant funds* is **required**. Matching funds must be applied to direct project costs. NOTE: Applicants may use dollars, in-kind goods and services, and/or third party contributions for meeting their matching obligations under the program. Funds derived from other State of Michigan competitive grants are eligible. However, federal funds and funds or services awarded from the MEO are not eligible as applicant match under this RFP.

Matching funds must be secured at the time the proposal is submitted and are considered secured in the following situations:

- The entity that submits the proposal is also providing the matching funds.
- The entity applying for the funds lists the source of the match and has documentation of that match. That documentation should be in the form of a Letter of Commitment that identifies how much money, staff time, and/or other resources the partner organization is committed to providing toward the grant project, and a reasonable justification of value for the proposed match.

I-V Ineligible Costs/Pre-Award Costs

1. Activities initiated prior to execution of the grant agreement, including applicant's cost for preparing the proposal.
2. Projects associated with pre-commercial technologies as well as basic research and development activities.
3. Sick pay, vacation pay, holiday pay, payroll taxes, vehicles, computers, hardware and software, real property (e.g. land and buildings), parking, tuition reimbursement/remission, vehicle allowance, car rental, seminars, conferences, foreign travel, food, beverage, entertainment, subscriptions, dues, and memberships.
4. Construction or repair of buildings or structures not required for the demonstration of commercially-available energy efficiency or renewable energy techniques and technologies.
5. Activities undertaken after the grant agreement has expired.

6. University License Fee's or Royalties for Background Technology associated with the project.
7. Patent Filing or Maintenance Fees.

I-W Contract Reimbursement for Project Expenses

Contracts entered into by the Prime Applicant for which the State is liable cannot extend beyond August 30, 2013. Applicants will be expected to make their own payments for actual costs identified within the agreements with third-parties such as materials, equipment, supplies, personnel, or other project expenditures and, subsequently, provide to the MEO detailed requests for reimbursement. These requests will document expenditures made, equipment purchased, and other eligible expenses incurred.

I-X Partner Responsibilities

Organizations partnering with selected applicant(s) must comply with the requirements of the solicitation and will be held to the same standards as prime applicants. Partnering organizations must respond to Part V, Information Required from Applicant(s), and must make grant/project accounting records available for audit by the State in accordance with Part II, Section II-G, Accounting, and Section II-H, Audit. Organizations partnering with selected applicant(s) must enter into a partnership agreement. A copy of the partnership agreement must be provided to the Grant Administrator.

I-Y 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 Issuing Office reserves the right to award funds for an amount other than that requested and/or request changes to, or clarification of, the proposed project.

I-Z State Historic Preservation Office (SHPO) Review

Prior to the expenditure of federal funds, all projects involving ground-disturbing activity (e.g. excavation, grading, tree removals, utility installation) or work on building(s) that are fifty years of age or older (e.g. physical, structural, and other alterations) must undergo review in accordance with Section 106 of the National Historic Preservation Act of 1966 (Section 106 Review), regardless of the historic significance of the project building(s). The purpose of Section 106 Review is to avoid adverse impacts to historic properties that are listed in or *eligible* for listing in the National Register of Historic Places, including archaeological sites, structures and buildings. To be clear, if applicant is conducting ground-disturbing activity or work on a building(s) that is/are at least fifty years of age or older, applicant **must** complete in full the [State Historic Preservation Office Application for Section 106 Review](#). The review process must be completed prior to the expenditure of federal funds. No project that results in an adverse effect to a historic property will be considered for funding. Projects may be modified to avoid adverse effects.

I-AA National Environmental Policy Act Requirements

All activities undertaken with grant funds must comply with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. Section 4321 et seq). Please see the [NEPA Environmental Checklist](#) and Section III-E to determine whether the proposed project may

require an individual review under NEPA. It is also the recipient's responsibility to acquire all necessary environmental permits to operate in the State of Michigan.

**I-BB Davis – Bacon Act Requirements**

The Davis-Bacon Act requires all laborers and mechanics that are non-government employees, to receive prevailing wages. This requires that the US Department of Labor (DOL) wage rate report is included with agreements that are affected by the Davis-Bacon Act requirement. If applicable, all positions must be classified that are parts of the job related to an agreement subject to the Davis-Bacon Act. Weekly time reporting requirements and necessary forms can be found via the following link: [Davis – Bacon Act Requirements](#). For more information on Davis Bacon and Related Acts, please refer to the [U.S. Department of Labor, Wage and Hour Division](#) website.

**I-CC State Energy Program Requirements**

Applicants should be advised that all proposed project activities are subject to compliance with U.S. DOE State Energy Program (SEP) guidelines, which can be located at [http://www1.eere.energy.gov/wip/sep\\_guidelines.html](http://www1.eere.energy.gov/wip/sep_guidelines.html)

**PART II**  
**GENERAL PROVISIONS**

II-A Project Changes

Recipient must obtain prior written approval for major project changes from the Grant Manager.

II-B Record Retention

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

II-C 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 Michigan Strategic Fund. All other program income shall either be reported and, upon approval of the Michigan Energy Office, added to the project budget and used to further eligible program objectives, or deducted from the total project budget. The final determination shall be made by the MSF Fund Manager.

II-D Share-in-savings

The State expects to share in any cost savings realized by the Recipient. Therefore, final Recipient reimbursement will be based on actual expenditures. Exceptions to this requirement must be approved in writing by the MSF Fund Manager.

II-E Order of Spending

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

II-F Purchase of Equipment

The purchase of equipment not specifically listed in the Budget, Attachment 7, must have prior written approval of the Grant Manager. Equipment is defined as nonexpendable personal property having a useful life of more than one year and a true value of \$1,000 or more. Such equipment shall be retained by the Recipient unless otherwise specified at the time of approval. All equipment purchased with grant funds shall be subject to the rules set forth in 10 CFR 600.130-137, 10 CFR 600.231-233, or 10 CFR 600.320-324 as applicable.

II-G Accounting

The Recipient 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 Recipient's overall financial management system must ensure effective control over and accountability for all funds received. 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 and federal funds shall be reported by line item and compared to the Budget.

## II-H Audit

The Recipient agrees that the State, and MSF and its authorized representatives, including Federal Auditors, may, upon 24-hour notice, perform an audit and/or monitoring review at Recipient's location(s) to determine if the Recipient is complying with the requirements of the Agreement. The Recipient agrees to cooperate with the State, the MSF and its authorized representatives, including Federal Auditors, during the audit and/or monitoring review, and produce all records and documentation that verifies compliance with the Agreement requirements.

If the Recipient is a governmental or nonprofit organization and expends the minimum level specified in the Office of Management and Budget (OMB) Circular A-133 (\$500,000 as of June 27, 2003) or more in total federal funds in its fiscal year, then Recipient 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 Recipient 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 the OMB Circular A-133 (\$500,000 as of June 27, 2003), then the Recipient 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 MEO within 30 days after the completion of the audit, but no later than nine months after the end of the Recipient's fiscal year.

In accordance with MCL 18.1470, the Grantee agrees to allow the Department of Technology, Management and Budget (DTMB) or its designee to audit the Grantee to verify compliance with the terms of this grant. Grantee also agrees that the financial and accounting records associated with the grant shall be made available to the DTMB or its designee and the auditor general, upon request, during the Grant Period and any extension of the grant and for 3 years after the later of the expiration date or final payment under the grant.

## II-I Competitive Bidding

Pursuant to 10 CFR 600.143, the Recipient agrees that all procurement transactions involving the use of grant funds shall be conducted in a manner that provides maximum open and free competition. When competitive selection is not feasible or practical, the Recipient agrees to obtain the written approval of the Grant Manager before making a sole source selection. Sole source contracts must comply with Federal and the State of Michigan's procurement policies.

## II-J Liability

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

## II-K Intellectual Property

Recipient grants to the State a nonexclusive, royalty-free, site-wide, irrevocable, transferable license to use the deliverables and related documentation according to the

terms and conditions of this Agreement. For the purposes of this license, “site-wide” includes any State of Michigan office regardless of its physical location.

The State may modify the deliverable and may combine the deliverable with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent, and other intellectual property rights in any derivative work, excluding any rights or interest in deliverable other than those granted in this Agreement.

The State may copy each deliverable to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each deliverable, and each copy will contain all legends and notices, and will be subject to the same conditions and restrictions as the original. The State may also make copies of the deliverable in the course of routine backups for the purpose of recovery of contents.

In the event that the Recipient shall, for any reason, cease to conduct business, or cease to support the Deliverable, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

#### II-L Safety

The Recipient, 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 Recipient, contractors, and every subcontractor are responsible for compliance with all federal, state, local laws, codes 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 Recipient, 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.

#### II-M Indemnification and Grantee Liability Insurance

To the extent allowed by law, the Grantee shall indemnify, defend and hold harmless the State, the MSF Board, and the MEDC, including their respective participants, committee members, officers, agents and employees, from any damages that it may sustain through the negligence or willful misconduct of the Grantee pertaining to the performance of this Agreement. The Grantee shall maintain such insurance as necessary to comply with this provision. The Grantee will provide and maintain its own public liability, property damage, and workers’ compensation insurance. The insurance shall be written for not less than any limits of liability required by law for the Grantee's obligation of indemnification under this Agreement.

##### 1. General Indemnification

To the extent permitted by law, the Recipient shall indemnify, defend, and hold harmless the State and MSF 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 Recipient in the performance of this Agreement and that are attributable to the negligence or tortious acts of the Recipient or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2. **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 Recipient 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 Recipient 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.

3. **Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Recipient 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 Recipient 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 Recipient'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.

II-N **Cancellation**

The State and/or the MSF 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:

1. **Termination for Cause**

In the event that the Recipient 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, the Recipient 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.

2. 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; and 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 Recipient 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.

3. Non-appropriation

Recipient 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 Recipient. The State shall give Recipient 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 Recipient 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.

4. Criminal Conviction

The State may terminate this Agreement immediately and without further liability or penalty in the event the Recipient, an officer of Recipient, or an owner of a 25 percent or greater share of Recipient 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 Recipient's business integrity.

5. 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 the Recipient or may be effective as of the date stated in such written notice.

#### II-O Repayment Events

The Grantee shall repay the total amount of any funds disbursed to the Grantee (the “Repayment Amount”) upon the occurrence of any one or more of the following at any time through the end of the Grant Period (each a “Repayment Event”):

##### 1. Prohibited by the Act

If any funds disbursed are used by the Grantee toward:

- a. Development of a stadium or arena for use by a professional sports team or development of a casino or property associated or affiliated with the operation of a casino as prohibited by the MSF Act (see MCL 125.2088(c)(3)(c)), or to induce the Grantee, a qualified business, or small business to leave the State of Michigan, or to contribute to the violation of internationally recognized workers’ rights, of workers in a country other than the US, as prohibited by the MSF Act (see MCL 125.2088(c)(4)(c) and (d); and
- b. Activities prohibited in 10 CFR 420, Section 420.18 “Expenditures prohibitions and limitations.”

##### 2. Materially Incorrect Information

If any information, representation or warranty, provided by the Grantee to the State or the MSF in support of this Agreement, any request by the Grantee for the disbursement of Grant funds, Milestone Report, or to satisfy any conditions precedent to the Grantee receiving any disbursed funds, is found to be incorrect by the State or MSF in any material respect.

#### II-P Repayment of Funds Disbursed

The Grantee shall notify the Grant Manager of any Repayment Event (the “Grantee Notice”). The Grantee shall have sixty (60) calendar days from the date of the Grantee Notice to cure the Repayment Event to the satisfaction of the MSF Fund Manager, or such longer period as may be agreed to in writing by the MSF Fund Manager, and upon failure of the Grantee to cure within the time required, the Grantee shall immediately remit the Repayment Amount to the MSF. If the Grant Manager has not received any Grantee Notice as required by the preceding sentence, upon the failure of the Grantee to cure a Repayment Event to the satisfaction of the MSF Fund Manager within thirty (30) calendar days after written notice by the MSF Fund Manager, or within such longer period of time as determined in writing and at the sole discretion of the MSF Fund Manager, the Repayment Amount is due the MSF, and the Grantee shall immediately remit the Repayment Amount.

In addition to paying any required Repayment Amount as set forth in Section II-O, any required Penalty as set forth in Section II-Q, and any required costs and expenses as set forth in this Agreement; the Grantee shall pay interest on the Repayment Amount at the rate of zero percent (0%) per annum. Interest shall accrue on the Repayment Amount beginning on the date such Repayment Amount is due and continue until the Repayment Amount, all costs and expenses to collect the Repayment Amount and all interest are paid in full to the MSF. All payments by the Grantee under this Section II-P shall first be

applied to reimburse the costs and expenses to collect the Repayment Amount, then to satisfy interest thereon, then to satisfy the Repayment Amount, In no event shall the Repayment Amount required to be paid by the Grantee exceed the aggregate amount of funds disbursed under this Grant and received by the Grantee [A1] up to the date of such Repayment Event; provided that, for the avoidance of doubt, any amount required to be paid by the Grantee as a penalty or as interest shall be paid in addition to the Repayment Amount. Payment of the Repayment Amount, costs and fees, and interest thereon shall not be applied against any monies that may be due and owing as a result of a Penalty or as otherwise may be required by this Agreement.

This Section II-P shall survive the end of the Grant Period for a period of three (3) years.

#### II-Q Penalty

For each instance through the Grant Period in which the Grantee fails to submit a Progress Report when due, which Progress Report is not provided by the Grantee to the satisfaction of the MSF Fund Manager within ten (10) business days after written notice thereof by the MSF Fund Manager, or within such longer period of time as determined in writing and at the sole discretion of the MSF Fund Manager, a penalty is due the MSF from the Grantee in the principal amount of One Hundred Dollars (\$100), (the "Penalty"), and the Grantee shall immediately remit payment of the Penalty to the MSF.

In addition to paying any required Penalty, any required Repayment Amount as set forth in Section II-O, and any required costs and expenses as set forth in Section II-R, or as otherwise provided in this Agreement, the Grantee shall pay interest on the Penalty at the rate of zero percent (0%) per annum. Interest shall accrue on the Penalty beginning on the date such Penalty is due and continue until the Penalty, all costs and expenses to collect the Penalty and all interest are paid in full to the MSF. All payments by the Grantee under this Section II-P shall first be applied to reimburse the costs and expenses to collect the Penalty, then to satisfy interest thereon, then to satisfy the Penalty. Payment of any Penalty, costs and fees, and interest thereon:

1. shall not be applied against any monies that may be due and owing as a result of a Repayment Event or as otherwise may be required by this Agreement and
2. Is required by this Agreement regardless of whether any funds have been disbursed to the Grantee.

This Section II-Q shall survive the end of the Grant Period for a period of three (3) years.

#### II-R Available Remedies

Upon the occurrence of any one or more of an event of default (after the expiration of any applicable cure periods without the required cure), the MSF may terminate this Agreement, and upon termination of this Agreement, the MSF shall have no further obligation to make any disbursement of funds under this Agreement or payment of any kind to the Grantee. The termination of this Agreement is not intended to be the sole and exclusive remedy in case any Event of Default shall occur, and each remedy shall be cumulative and in addition to every other provision or remedy given herein or now or hereafter existing at law, in equity, by statute or otherwise. The Grantee shall also pay all reasonable costs and expenses, including, without limitation, attorneys' fees and expenses incurred by the MSF

in collecting any sums due the MSF under this Agreement, in enforcing any of its rights under this Agreement due to failure of the Grantee to comply with its obligations under this Agreement, or in exercising any remedies available to the MSF as result of the occurrence of one or more Events of Default.

This Section II-R shall survive the end of the Grant Period for a period of three (3) years.

II-S No State Employees or Legislators

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

II-T Non-Discrimination

In the performance of the Agreement, the Recipient 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. Recipient further agrees that every subcontract entered into for the performance of this Agreement will contain a provision requiring nondiscrimination 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.

II-U 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 Recipient, 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 Recipient as an employer or the name of the subcontractor, manufacturer or supplier of Recipient appears in the register.

II-V Certification Regarding Debarment

The Recipient 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 Recipient is unable to certify to any portion of this statement, the Recipient shall attach an explanation to this Agreement.

II-W Illegal Influence

1. The Recipient 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 Recipient, 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 Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient 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 Recipient 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 Recipient, 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.

#### II-X Governing Law

This Agreement is made under the laws of the State of Michigan, and for all purposes shall be governed by, and construed in accordance with, the laws of the State of Michigan, not inconsistent with, or preempted by federal law.

#### II-Y Compliance with Laws

Recipient shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in performing this Agreement. Also, see Program Regulations, 10 CFR 600 DOE Assistance Regulations, and the National Policy Assurances included in the Applicable Terms & Conditions document, posted with the Request for Proposals (RFP).

#### II-Z Severability

All of the clauses of this Agreement are distinct and severable and, if any clause shall be deemed illegal, void or unenforceable, it shall not affect the validity, legality or enforceability of any other clause or provision of this Agreement.

II-AA Amendment

This Agreement may not be modified or amended except pursuant to a written instrument signed by the Grantee and the MSF Fund Manager.

II-BB Jurisdiction

The parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the parties agree that any legal actions concerning this Agreement shall be brought in the Michigan Court of Claims or, as appropriate, Ingham County Circuit Court in Ingham County, Michigan. The Grantee acknowledges by signing this Agreement that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever the Grantee resides, in or outside of the United States.

With respect to any claim between the parties, Recipient 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 conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

II-CC Assignment

Recipient 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 MSF Fund Manager. Any purported assignment in violation of this section shall be null and void.

II-DD Entire Agreement

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

II-EE Independent Contractor Relationship

The relationship between the State and Recipient is that of client and independent contractor. No agent, employee, or servant of Recipient or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. Recipient 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.

II-FF 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.

II-GG Terms and Conditions for ARRA of 2009 Funded Grants

Not Applicable to this RFP.

## **PART III** **WORK STATEMENT**

### III-A Purpose

The purpose of this Request for Proposals (RFP) is to fund feasibility and demonstration projects that have the potential to drive down the installed cost/unit-of-energy for biomass energy applications in relation to other energy options in the state. The program will invest tax-payer dollars only in those demonstration projects that have the clear potential to deliver clear and compelling scientific, technical and deployment benefits to the state. This grant program aims to assist projects that are economically credible, low-emission, and fueled by a biomass feedstock.

### III-B Problem Statement

In Michigan, non-renewable sources of energy supply nearly all of the state's electricity, thermal, and transportation fuel needs. Biomass energy resources offer many potential community, economic, environmental, national security, and societal benefits for the state. Through applied analysis and demonstration projects, biomass energy technologies and fuels can be further enhanced, deployed, and showcased, resulting in increased innovation, efficiency, implementation, and public awareness.

### III-C Objectives

To provide funding for projects that can demonstrate the feasibility, improve cost-effectiveness, and identify/address/reduce the market barriers of innovative biomass energy technologies not yet widely adopted in Michigan.

### III-D Tasks

Proposals should clearly describe each task required to accomplish the project goals and objectives, according to the requirements of Part V. Applications should also include information on who will perform each task and a timeline for completion, which must conform to the dates specified in this RFP.

The project should also include the following: (a) a technical and economic analysis of the technology application or demonstration; (b) expected project impact on advancing the technology; and (c) dissemination plan for the project information to potential users of the technology. The final project report must be immediately available for circulation (with confidential information excluded).

### III-E Ineligible Projects

1. Projects deemed illegal under the law or inappropriate under contract management standards.
2. Projects considered scientifically unsound or significantly increase risk to workers and/or the public.
3. Projects that will not be conducted in Michigan.
4. Projects involving demonstration of non-commercially available equipment and technologies. This also includes projects involving the conduct, or purchase of equipment to conduct research, development, or demonstration of renewable energy and energy efficient technologies not commercially available.
5. Projects involving demonstration of technologies with no prior successful adoption within industry or the business community under real world applications.
6. Projects involving demonstration of non-innovative technologies, or technologies

- with adoption rates above roughly ten percent within the Michigan business sector.
7. Projects that cannot be shared with or have restricted transferability to other potential end-users in Michigan.
  8. Projects requiring an environmental assessment study under the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C Section 4321 et seq) unless the applicant can show proof of the Department of Energy's approval of the project prior to the proposal submission deadline.

Note: Potential projects requiring an individual review and determination under the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. Section 4321 et seq) may be deemed ineligible due to their inability to obtain a Categorical Exclusion determination. Projects that may need an individual review could include:

- i. Biomass Thermal systems greater than 3 MMBTU's per hour
- ii. Under Combined Heat and Power systems – boilers that are not sized appropriately for the building in which they are located.
- iii. Please see [U.S. Department of Energy State Energy Program Notice \(10-001\)](#) for additional information.

**PART IV**  
**PROJECT CONTROL AND REPORTS**

IV-A Project Control

1. The selected applicant(s) will carry out the project under review of the State Grant Manager. The MSF Fund Manager will have final authority over the Recipient.
2. Along with continuous liaison with the selected applicant(s), the State Grant Manager will communicate (face to face, phone, & e-mail) periodically with the selected applicant's project manager for the purpose of reviewing progress and giving necessary guidance to the selected applicant in solving problems which may arise.
3. Prior to executing any changes to the scope of the project and/or budget, the selected applicant(s) must inform the Grant Manager in writing outlining the proposed changes.

IV-B Monitoring and Reporting Program Performance

All reports due to the Grant Manager including financial, performance, and otherwise, shall be referred to as "Progress Reports".

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

IV-C Reports (Project and Financial)

1. Quarterly Narrative Reports. The selected applicant(s) shall submit to the Grant Manager quarterly performance reports as described in the grant agreement that briefly present the following information:
  - a. Percent of completion of the project objectives and tasks, including:
    - i. A brief outline of the work accomplished during the reporting period relative to the proposed work plan and timeline, and the work to be completed during the subsequent reporting period.
    - ii. Type of services provided and the anticipated energy savings/impacts as a result of the program.
    - iii. Actual expenditures compared to the budget in the Agreement.
  - b. Noteworthy accomplishments related to achieving the program purpose and objectives including successful technology adoptions by others in Michigan.
  - c. Brief description of problems or delays, real or anticipated, which should be brought to the attention of the Grant Manager.
  - d. Statement concerning any significant deviation from previously agreed-upon Statement of Work.

2. Final Narrative Report. The selected applicant(s) will submit a final project report to the State as described in the grant agreement before the final grant payment is made. The selected applicant(s) will do the following:
  - a. Submit one draft electronic copy of the final report in Microsoft Word format no later than September 13, 2013 for review by the Grant Manager.
  - b. After the Grant Manager has determined the completeness and factual accuracy of the report, the Recipient shall submit three final copies and an electronic copy of the report to the Grant Manager.
  - c. The final report will include (at a minimum) the following information:
    - i. Name of selected applicant, project number, and dates of final reporting period.
    - ii. Percent (%) completion of the project objectives and tasks.
    - iii. A summary of the project implementation plan and any deviations from the original project as proposed.
    - iv. Accomplishments and problems experienced while carrying out the project activities.
    - v. Coordinated efforts with other organizations to complete the project.
    - vi. Impacts, anticipated and unanticipated, experienced as a result of the project implementation.
    - vii. Financial expenditures of grant money and other contributions to the project, in-kind and/or direct funding.
    - viii. Any experience in applying the project products and anticipated “next steps”.
    - ix. Actual Budget expenditures compared to the Budget in the grant agreement. Include the basis or reason for any discrepancies.
3. Financial Status Reports (FSR) and/or Payment Requests. The selected applicant(s) will be required to submit signed and dated monthly expenditure reports to the Grant Manager indicating the amount of funds expended in each line item category of the budget and outstanding authorizations. Financial status reports are due no later than five (5) business days from the end of the reporting period. Payment requests will be submitted as needed; however, financial status reporting must occur not less frequently than quarterly.
  - a. Form #C-108 shall be part of the FSR and payment request with all required source documentation attached as specified in Part II, Section II-G, Accounting. An authorized individual must sign and date Form #C-108.
  - b. The expenditure of MSF and/or the State funds shall be incurred within the grant period and reported by line item and compared to the budget.
  - c. 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.

4. Final Financial Status Report (FSR)/Final Payment Request. The selected applicant(s) shall submit a signed and dated final FSR to the Grant Manager, indicating the amount of funds expended in each line item category of the budget along with the final report by September 30, 2013.
  - a. Form #C-108 shall be part of the FSR and payment request with all required source documentation attached as specified in Part II, Section II-G, Accounting. An authorized individual must sign and date Form #C-108.
  - b. The expenditure of MSF and/or the State funds shall be incurred within the grant period and reported by line item and compared to the budget.
  - c. 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.

## **PART V**

### **INFORMATION REQUIRED FROM APPLICANTS**

Proposals must be typed in a 12-point font with no more than 15 numbered pages. The page count includes any cover page, but does not include the resumes, letters of support, or required attachments. Hard copy proposal must be double-sided, and must have an original signature. Applicant(s) are required to submit three hard copies and one electronic PDF copy of their proposal.

**All applicants must submit a [Notice of Intent to Apply form \(NOIA\)](#) by Wednesday, February 13, 2013.**

**All proposals must include an executive summary.** The executive summary should be placed at the beginning of the proposal, must not exceed two pages, and should include the name of the organization, the amount of funds requested, and an outline of the proposed project at a minimum. Initial screening of the executive summaries will be conducted to ensure 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 N/A.

In addition to the information below, applicants must also complete and submit:

- [Notice of Intent to Apply \(NOIA\)](#)
- Financial Information, [Attachment A-1](#)
- Internal Controls Questionnaire, [Attachment A-2](#)
- [NEPA Environmental Checklist](#)
- If applicable, [State Historic Preservation Office Application for Section 106 Review](#)

The State contemplates the grant period will start March 1, 2013 and will end on August 30, 2013.

#### V-A Identification of Organization

State the full name and address of the organization, the organization's federal identification number, active DUNS number, the telephone and fax number, e-mail address, web site address, and if applicable, other subordinate element(s) that will perform, or assist in performing, the work hereunder. Additionally provide the North American Industry Classification System (NAICS) code(s), number of full-time employees, and a brief business description of the organization.

Include a completed Federal Form W-9 (see <http://www.irs.gov/pub/irs-pdf/fw9.pdf>)

#### V-B Authorized Negotiators

Include the names, e-mails, and phone numbers of personnel authorized to negotiate the proposed grant agreement with the State. Include the signature of the person(s) authorized to commit the organization to the agreement.

V-C General Project Information

Please provide the following project information: project title, project address (if different from above provided mailing address), and the name, title, phone, fax, and e-mail of project contact(s) (if different from above authorized negotiator).

V-D Management Summary

Describe in narrative form how the project will be managed by the organization, including quality assurance measures and how the project will be evaluated. Project partners must be clearly identified along with a description of their specific role(s), project contribution, agreements to be established, and how the various efforts will be integrated and managed. Include an organizational chart including names and titles of all key participants contributing to the project.

The project manager will be responsible for the coordination and financial reporting of all subcontractors involved. Identify the project manager and the person(s) responsible for financial management and reporting. Include quality assurance measures to prevent errors, fraud and waste internally and in contracting for goods and services.

V-E Personnel

The applicant(s) must be able to staff a project team, which clearly possesses talent and experience in project and grant management. Identify key personnel to be involved with this project, by name and title, and provide their qualifications. Also include 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 MEO a reasonable understanding of their qualifications.

V-F Statement of the Problem

State in clear, concise terms the applicant's understanding of the problem presented by this RFP and its significance. Provide an explanation for how the demonstrated technology compares against competing energy options (i.e. fossil, renewable energy, and/or energy efficiency) on an installed cost/unit of energy basis. Describe the problem(s) the proposed project will address.

V-G Work Plan, Project Timeline, and Metrics

Describe in narrative form the applicant's plan for completing each required Task given in Part III, Section III-D above. Indicate the number of staff hours, equipment, or necessary resources allocated to each required Task, as well as the individual(s) responsible for the Task. Include a time-related chart (Gantt or similar), showing each required Task, key sub-tasks, and critical decision points in the work plan. Key sub-tasks include completing necessary sub-contractor agreements, kick-off meetings, equipment purchase orders; permit approvals, site preparation, equipment installation, equipment testing, establishing data measurement and operating procedures, quarterly status meetings with MEO, etc. Include any technical plan(s) drafted for accomplishing the work. A plan to evaluate project results should also be included. Please complete the Demonstration Process and Metrics section below:

## Demonstration Process and Metrics

Please answer the following questions to describe your demonstration project:

1. Please *define the object* whose feasibility is being demonstrated with this project (i.e., what it is, exactly what it does, and what is needed in order to determine feasibility)?
2. Please describe your *specific idea* (i.e., approach, hypothesis) for exactly *how* you will demonstrate feasibility.
3. Please describe your *expected outcomes* from the demonstration project (e.g., lower the object's cost by X, improve the object's energy performance by Y, increase the object's speed by Z, etc.).
  - a. Describe the established *baseline* (i.e., industry standard(s) that are associated with the object – for example, weight, size, speed, time, coefficient of energy performance, etc.).
  - b. Describe your *starting point* (i.e., less than, equal to, greater than the baseline);
  - c. Describe your anticipated *project outcomes* that, by definition, demonstrate feasibility (i.e., quantifiable improvements to the baseline or your starting point).
4. Please describe your *testing protocol* (i.e., the set of experiments you will design and conduct to test your idea/approach/hypothesis (i.e., Baseline – *set of experiments* – Improvement over baseline).
5. Please describe how you will *analyze the findings* (measurable outcomes) from your test(s) and demonstrate the feasibility of your idea (proof of concept of your idea, approach, hypothesis).

The MEDC's mission is to market Michigan and provide the tools and environment to drive job creation and investment. Please describe specifically how your project will positively impact all, or some, of the following strategic initiatives used by the MEDC and the MEO to support this mission:

MEDC Strategic Initiatives:	Your Project's Positive Impacts:
<b>Entrepreneurship:</b> Promote a culture of entrepreneurship and the development of high-growth, technology ventures	
<b>Business Growth:</b> Provide high-value service to retain, grow, and diversify existing Michigan businesses	
<b>Access to Capital:</b> Attract and leverage capital for business growth at all stages of the business lifecycle	
<b>Vibrant Communities:</b> Deploy programs to facilitate the reinvigoration of city centers and rural communities across Michigan	
<b>Talent:</b> Develop, retain, attract and match an exceptional talent base with guidance from the needs of Michigan's growing employers	
<b>Image:</b> Improve Michigan's image as a business location and travel destination	
<b>Seamless Delivery:</b> Coordinate business service delivery across state government	

#### V-H Deployment Plan

Community and economic reinvention results only when feasible ideas (innovations) are commercialized and deployed.

Please be specific in describing your plan for **how** you will commercialize/deploy your project after feasibility has been demonstrated (i.e., bootstrap expansion, license/sale of technology, strategic alliance, investment, etc.). Please be **very specific** with regard to how you expect to finance the commercialization/deployment and what **new** near-term and measurable *revenue* and *jobs* you expect to generate as a result of the commercialization/deployment.

Please note: Universities that are applying for these funds should provide an EXPLICIT description of the role that their Technology Transfer (TT) office will play in the project and its deployment (**NOTE**: An additional Letter of Support from the University TT Office will be required in addition to the **three (3)** letters of support required for all applicants).

Please address the following factors in your Deployment Plan:

- Venture Form – Describe the form of the venture that will assume primary responsibility for the deployment of the demonstrated technology or product (e.g., strategic alliance, third-party investment, sale of license to the technology, etc.).
- Management Team – Describe the qualifications of the Management Team that will be responsible for the deployment of the demonstrated technology or product.
- Market and Competition – Describe the market for the demonstrated technology or product and its competition from other energy sources (fossil fuels, renewable energy, and energy efficiency).
- Intellectual Property – Describe the Intellectual Property protections and related strategy for the demonstrated technology or product. If a university technology is serving as Background IP, please describe the license arrangement between the applicant and the university.
- Finance Plan – Describe the finance plan for the deployment of the demonstrated technology or product.

#### V-I Prior Experience

Provide a brief statement about any prior experience, and/or expertise that applicant and/or partners have on staff that demonstrates their ability to either implement or assist in the implementation of the project or achieve the intended purpose, objectives, and tasks of these grants. If an applicant has received a grant from the Michigan Energy Office (MEO) in previous years, a description of that project(s) and overview of results should be included.

List any possible barriers that may delay implementation of the project due to past experiences, concerns of staff that have worked on similar projects, and/or other related sensitive stages/milestones that may impede progress or potentially inhibit applicant's ability to achieve the purpose, objectives, and tasks required under this RFP.

#### V-J Letters of Support

Applicants must provide **three (3)** separate one-page letters of support. These letters should come from credible and qualified sources and describe exactly why they believe the expenditure of tax-payer dollars to support this demonstration project is a viable and worthy

investment, based on the projects potential and compelling scientific, technical, and deployment benefits to the state.

V-K Budget

Applicant(s) must provide a complete budget. Budgets must be itemized, include any allowable costs necessary to successfully complete the project, and be accompanied by a **budget narrative** which adequately describes each budget category. A 1:1 match is required; please clearly identify source(s) of matching funds in the budget narrative. Applicant(s) **MUST USE** the [Approved Budget Form](#) available online. Please also note that any Travel expenses must be calculated using the current [State Approved Travel Rates](#). Below is a brief summary of budget categories that may apply:

**Cost Elements   Proposer   State   Match   (Other Fin. Resources)   Total**

**Personnel** (Position, rate, hours)

**Fringes** (Explain how calculated)

**Contractual Services** (Specify, must be competitively bid)

**Travel** (Provide details, must be at state approved rate)

**Supplies & Materials** (Please list with unit prices and quantities)

**Equipment** (Please list with unit prices and quantities)

**Other** (Please specify)

**Total Direct Costs** (Sum of the above categories)

**Indirect Costs** (Cannot exceed 20% of the State share of Direct Costs)

**TOTAL Project Costs** (State Share + 1:1 Match)

The grant will be paid out according to the grant payment schedule listed in the grant agreement and in agreement with the approved budget, and/or any approved amendment to the budget. The State's final share of each line item will be paid out at the proportionate rate of participation as established by that line item in the grant budget and/or any approved amendment.

V-L 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 attachments are included and all requirements of Part II are met.

V-M Certification of Proposal

Please sign the application 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

Organization Name:

Parent Entity, where applicable:

Telephone Number:

Fax Number:

E-mail Address:

## **PART VI** **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 the organization(s) 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, and the requirements of Part II, will be rejected automatically. Proposals meeting the eligibility requirements will be evaluated using a 100 point scale according to the selection criteria listed below. Applicants may be asked to make oral presentations before a final decision is made.

**Administrative Review** – Applicant proposals will be screened to ensure that all page limits and other administrative requirements are met. Proposals which do not meet the Administrative Requirements will not be reviewed.

**Eligible for Consideration** - Applicants who pass the Administrative Review must next achieve a minimum total score of Fair to be eligible for consideration:

- Excellent: 100 Points
- Very Good: 90 - 99 Points
- Good: 80 – 89 Points
- **Fair: 70 – 79 Points**
- Poor: 0-69

**Recommended for Funding** - Based on the criteria below, a pool of candidates will be ranked according to their scores. Those with the highest scores will be placed in a “Recommended for Funding” (RfF) category.

**Total maximum points is 100.**

**VI-A      Qualifications and Experience of the Applicant Organization (20%)**

- 1) Project Manager is clearly identified.
- 2) Roles and contributions of partners are clearly defined.
- 3) Experience as described in Section V-G. (Include resumes showing relevant experience.)
- 4) Documentation of project support, including any leveraged resources.

**VI-B      Project Work Plan, Timeline, and Metrics (35%)**

- 1) Project scope fits RFP request.
- 2) Tasks to be performed by all project contributors are clearly and reasonably described.
- 3) Clear timeline outlining each event, task, and decision point in the work plan.
- 4) Project deliverables are clearly stated.
- 5) Plan for public dissemination of project information is included.
- 6) Project metrics are clearly defined; plan to evaluate project results (qualitatively and quantitatively) is clearly described.
- 7) Adequacy of Deployment Plan.

**VI-C Budget (15%)**

- 1) Budget line items and amounts are sufficiently described and justified (including number of hours, pay rate per hour, and hours by task for each staff member contributing to the project.)
- 2) Meets or exceeds matching funds requirement, and/or leverages additional resources for the proposed project.

**VI-D Project Impact (30%)**

- 1) Demonstrates a clear link between the project and specific environmental, economic, and societal benefits\*
- 2) Potential level of visibility/number of people reached (project location, strategic leveraging of partnerships, dissemination of project results, potential for replication, etc.)
- 3) Project addresses/mitigates a key barrier to success of biomass energy in MI.

\*Examples of impact include solving a local energy or waste disposal problem that improves local environmental quality; providing educational or vocational opportunities in development or implementation of renewable energy projects or programs; effective use of public-private partnerships; reducing fossil fuel use “X” percent; creating “X” number of jobs by deploying technologies or processes that support renewable energy.

**ATTACHMENT A-1**  
**MICHIGAN ENERGY OFFICE**  
**PROJECT MANAGEMENT FORM**

**FINANCIAL INFORMATION**  
**PROVIDE ALL INFORMATION REQUESTED ON THIS FORM**

Name of Financial Contact: \_\_\_\_\_

Project Title: \_\_\_\_\_

Name of third party organization or affiliation, as applicable: \_\_\_\_\_

Telephone Number if different from authorized Signatory: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

*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. If no, please provide the most recent financial statements (balance sheet & income statement), if available.

3. Does applicant have any pending litigation or existing legal obligations which may impact the applicant's ability to perform the statement of work proposed in the grant application?

Yes  No

**INFORMATION FOR DETERMINING COGNIZANT AGENCY/OFFICE**

4. Applicant's fiscal year end date is \_\_\_\_\_

5a. 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: \_\_\_\_\_

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

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

6a. 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: \_\_\_\_\_

6b. To assist our office in validating Cognizant DOE Office (6a), please provide following information for the 5 highest dollar value awards for current DOE contracts, grants or awards (do not include sub-awards). (State agencies and Universities can skip 6b)

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

Please include disclosure required by the Special Terms and Conditions, Financial Commitment/Funding Plan, pages 31 and 32, available at:

[http://www.michigan.gov/documents/mdcd/SPECIAL\\_TERMS\\_AND\\_CONDITIONS\\_FOR\\_USE\\_IN\\_MOST GRANTS AND COOPERATIVE AGREEMENTS 370406\\_7.PDF](http://www.michigan.gov/documents/mdcd/SPECIAL_TERMS_AND_CONDITIONS_FOR_USE_IN_MOST_GRANTS_AND_COOPERATIVE_AGREEMENTS_370406_7.PDF).

**FINANCIAL MANAGEMENT  
SYSTEM**

To qualify for Financial Assistance, compliance with 10 CFR 600.121 – Higher Education, Hospitals, and Other Non-Profit 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 600.311. If this block is checked, complete the survey below.

**Accounting System Survey**

**Yes No N/A**

- |  | Yes                      | No                       | N/A                      |
|--|--------------------------|--------------------------|--------------------------|
| 1) Is your Accounting System in accordance with Generally Accepted Accounting Principles applicable to the circumstances?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Accounting System provides for:   |                          |                          |                          |
| a. Segregation of direct costs from indirect costs.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Identification and accumulation of direct costs by project.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (Project is final cost objective)                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Accumulation of costs under general ledger control,   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. A timekeeping system that identifies employees' labor by intermediate and final cost objectives.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Interim (at least monthly) determination of costs charged to a project through routine posting of books of account.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Excluding costs charged to Government projects which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other provisions.            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 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.                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) Is the Accounting System currently in full operation?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) Are all indirect costs supported by actual cost?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| a. Equitably distributed and based on the entity as a whole;   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Traceable according to the Cost Allocation Plan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**ATTACHMENT A-2**  
**Internal Controls Questionnaire**

	<b>Budgets</b>	Y	N	N/A	Comments
1.	Did the governing body formally adopt a budget for the general fund and all special revenue funds 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?				
	<b>Segregation of Duties</b>	Y	N	N/A	Comments
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				
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?				
	<b>Cash Handling</b>	Y	N	N/A	Comments
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 government'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?				

	<b>Billing and Accounts Receivable</b>	Y	N	N/A	Comments
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?				
	<b>Purchasing and Accounts Payable</b>	Y	N	N/A	Comments
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?				
	<b>Personnel and Payroll</b>	Y	N	N/A	Comments
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?				
	<b>Inventory</b>	Y	N	N/A	Comments
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?				

	<b>Capital Assets</b>	Y	N	N/A	Comments
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 for additions and disposals?				
39.	Are depreciation schedules updated annually, and reviewed by a responsible official?				
	<b>Debt</b>	Y	N	N/A	Comments
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?				
	<b>General Ledger and Journal Entries</b>	Y	N	N/A	Comments
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?				
46.	Is access to computerized accounting records restricted to authorized individuals (e.g., by using passwords)?				
47.	Do software controls prevent accounting transactions from being deleted or modified once posted?				
	<b>Grant Administration</b>				
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?				