# Correction

The attached Request for Proposal (RFP) for Low-Income Energy Assistance grants supersedes the RFP issued on April 2, 2009. The following are corrections:

- Page 25, Section V-I(1) Budget Format – paragraph (f) Direct Assistance was added.

- Page 29, Appendix A – a Direct Assistance budget category was added as Lines 22-24.

# MICHIGAN PUBLIC SERVICE COMMISSION

## LOW-INCOME ENERGY ASSISTANCE GRANT
## (CASE NO. U-13129)

# REQUEST FOR PROPOSAL

**APRIL 2, 2009**

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# LOW-INCOME ENERGY ASSISTANCE GRANT
# REQUEST FOR PROPOSAL

## PART I

## GENERAL GRANT INFORMATION
*(PLEASE READ AND RETAIN FOR FUTURE REFERENCE)*

### I-A Statement of Purpose

The purpose of this Request for Proposal (RFP) is to obtain proposals to provide energy assistance to low-income customers confronted with energy shut-off, as well as preventative programs to reduce the number of customers experiencing energy shut-off. Grants may be used to serve additional clients under existing eligibility guidelines, increase the amount of assistance available to eligible households, or revise existing eligibility guidelines to serve clients otherwise unable to obtain assistance through existing programs. This RFP invites proposals from nonprofit and public organizations.

The total amount available for this Low-Income Energy Assistance Grant (LIEAG) is $55 million. It is anticipated that one or more grants will be awarded in a Michigan Public Service Commission Order in August/September, 2009, and the grant period is expected to begin October 1, 2009 and end July 31, 2010.

The grant(s) awarded from this solicitation will support actual expenditures incurred within the grant period that are supported by source documentation (further defined in Part II, Section II-G, Accounting). This RFP provides interested parties with sufficient information to enable them to prepare and submit a proposal, budget, budget narrative, and a timeline. Refer to Part V, Information Required from Applicant.

### I-B Eligibility Requirements

To be eligible to receive a grant under this RFP, the applicant must be a nonprofit or public organization offering service to low-income residents in Michigan. A public organization is considered to be a governmental agency or an educational institution.

### I-C Issuing Office and Funding Source

This RFP is issued by the Michigan Public Service Commission (Issuing Office or Commission), an agency within the Department of Energy, Labor & Economic Growth. The Commission is the point of contact for this RFP for purposes of grant administration. The contact person at the Commission is:

Lois Gruesbeck, Grant Administrator
Michigan Public Service Commission
Management Services Division
6545 Mercantile Way
Lansing, MI 48911

The initial funding source for this grant is the Low-Income and Energy Efficiency Fund (LIEEF) established by 2000 PA 141, MCL 460.10d(6)**.** The Michigan Public Service Commission is the administrator of the LIEEF. **The distribution of monies from this fund is contingent on the passage of, and will be consistent with the 2010 appropriations bill.**

On February 20, 2004 the Commission issued an order in Case No. U-13808 granting interim rate relief, rolling securitization savings into base rates for Detroit Edison's electric customers and continued funding of the LIEEF as part of the utility's cost of service. The funding mechanism for the LIEEF was affirmed in the Commission's final order issued on November 23, 2004, authorizing Detroit Edison to provide $39.9 million annually to the LIEEF.

On December 22, 2005 the Commission issued an Order in Case No. U-14347 authorizing Consumers Energy to fund $26.5 million annually for the LIEEF from its electric customers. On November 21, 2006 the Commission issued an Order in Case No. U-14547 authorizing Consumers Energy to provide $17.4 million annually for the LIEEF from its natural gas customers.

## I-D Grant Award

Grant award negotiations will be undertaken with the applicant(s) whose proposal shows the organization to be responsible, highly qualified, and capable of performing the project within the established timeline. It is expected that one or more grants will be awarded. The total amount available for these grants is $55 million.

The grant(s) that may be entered into will be based on the RFP selection criteria provided in Part VI, and the objectives of the Commission.

## I-E Rejection of Proposals

The State reserves the right to reject any and all proposals received as a result of this RFP.

## I-F Incurring Costs

The State of Michigan is not liable for any cost incurred by an applicant prior to signing of a Grant Agreement.

## I-G Pre-Proposal Conference

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

## I-H Inquiries

Questions that arise as a result of this RFP must be submitted **no later than 5:00 p.m., April 15, 2009.** Inquiries may be submitted electronically to the Issuing Office at mpsc-grants@michigan.gov, or made in writing to the attention of the Grant Administrator, Michigan Public Service Commission, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911. All inquiries should reference the LIEAG, Case No. U-13129.

Inquiries will be responded to and posted on the Commission's website at www.michigan.gov/lieefund, under "Questions & Answers."

## I-I Changes to the RFP

Written answers to questions that change or substantially clarify the RFP will be provided to all prospective applicants on the Commission's website at www.michigan.gov/lieefund.

## I-J Due Date

To be considered for a grant award, a proposal in response to this RFP must be received in the Issuing Office **no later than 12:00 p.m., April 22, 2009.** Proposals must reference LIEAG, Case No. U-13129. Proposals may be submitted electronically to mpsc-grants@michigan.gov no later than 12:00 p.m. on the due date. A confirmation will be sent by the Issuing Office within 24 hours of receipt of the proposal. If a confirmation is not received, applicant must contact the Grant Administrator identified in Section I-C, Issuing Office and Funding Source. Electronic submission of PDF documents can not exceed 15 MB.

Applicants unable to submit a proposal electronically must mail or deliver one original proposal with signature, and 10 additional copies of same to the Issuing Office, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911. Proposals must be received by the Issuing Office **no later than 12:00 p.m., April 22, 2009.** Fax proposals will not be accepted. Proposals hand delivered to the Issuing Office shall be accompanied with a pre-printed receipt, provided by the applicant, indicating proposals were "Hand Delivered."

## I-K Proposals

To be considered, applicants must submit a complete response to this RFP, using the format specified in Part V, Information Required from Applicant. The proposal must be signed

by an official authorized to bind the applicant to the provisions of this RFP. For this RFP, the proposal must remain valid for at least 90 days.

## I-L Acceptance of Proposal Content

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

## I-M Economy of Preparation

Proposals should be prepared simply and economically, providing a straight-forward, concise description of the applicant's ability to meet the requirements of the RFP using the format provided in Part V, Information Required from Applicant. Hardcopy proposals may be binder clipped. Staples, fancy bindings, colored displays, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content.

## I-N Prime Applicant Responsibilities

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

## I-O Partner Responsibilities

Organizations partnering with selected applicant(s) must comply with the requirements of the RFP and will be held to the same standards as prime applicants. Partnering organizations must respond to Part V, Information Required from Applicant and must make grant accounting records available for audit by the Issuing Office 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-P Grant Payment Schedule

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

> An initial advance of 50% of the total grant amount will be made to the grantee(s) in October 2009, an additional advance of 25% will be provided in mid-December 2009 and again in mid-March 2010.

Public Act 279 of 1984, MCL 17.52, 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.

## I-Q News Releases

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

## I-R Disclosure of Proposal Contents

The information in all proposals and any grant resulting from the RFP are subject to disclosure under the Michigan Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231, *et seq*.

## I-S Copyrighted Materials

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

## PART II

## GENERAL PROVISIONS

### II-A Project Changes

The selected applicant(s) *must* obtain prior written approval for major project changes from the Grant Administrator.

### II-B Record Retention

The selected applicant(s) 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.

### II-C Program 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 program 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 Grant Administrator.

### II-D Share-in-Savings

The grantor expects to share in any cost savings realized by the selected applicant(s). Therefore, final grantee reimbursement will be based on actual expenditures. Exceptions to this requirement must be approved in writing by the Grant Administrator.

### II-E Order of Spending

Unless otherwise required, the selected applicant(s) shall expend funds in the following order: (1) private or local funds, (2) federal funds, and (3) state funds. The selected applicant(s) are 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 must have prior written approval of the Grant 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 selected applicant(s) unless otherwise specified at the time of approval.

## II-G Accounting

The selected applicant(s) 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 selected applicant(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 funds shall be reported by line item and compared to the budget.

## II-H Audit

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

If a selected applicant is a recipient of Low-Income and Energy Efficiency funds and receives $100,000 or more in any 12-month period, then the selected applicant is required to submit an audited financial report 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.

## II-I Competitive Bidding

The selected applicant(s) 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 selected applicable agrees to obtain the written approval of the Grant Administrator before making a sole source selection. Sole source contracts should be negotiated to the extent that such negotiation is possible.

## II-J Liability

The State is not liable for any costs incurred by the selected applicant(s) before the start date or after the end date of the Grant Agreement. Liability of the State is limited to the terms and conditions of the Grant Agreement and the grant amount.

## II-K Intellectual Property

Unless otherwise required by law, all intellectual property developed using funds from the Grant Agreement, including copyright, patent, trademark and trade secret, shall belong to the selected applicant(s).

## II-L Safety

The selected applicant(s), 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 selected applicant(s), 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 the Grant Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The selected applicant(s), 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 the Grant Agreement.

## II-M Indemnification

(1) General Indemnification

To the extent permitted by law, the selected applicant(s) 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 selected applicant(s) in the performance of the Grant Agreement and that are attributable to the negligence or tortious acts of the selected applicant(s) 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 selected applicant(s) or any of its subcontractors, the indemnification obligation under the Grant Agreement shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the selected applicant(s) 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 selected applicant(s) 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 selected applicant(s) 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 selected applicant's duty to indemnify pursuant to this section continues in full force and effect, notwithstanding the expiration or early cancellation of the Grant Agreement, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

## II-N Cancellation

The State may terminate the Grant 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 selected applicant(s) breaches any of its material duties or obligations under the Grant 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 the Grant Agreement immediately in whole or in part, for cause, as of the date specified in the notice of termination. In the event that the Grant Agreement is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, selected applicant(s) shall be responsible for all costs incurred by the State in terminating the Grant Agreement, including but not limited to, State administrative costs, reasonable attorney's fees and court costs, and any reasonable additional costs the State may incur.

(2) Termination for Convenience

The State may terminate the Grant 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 Grant 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 the Grant Agreement for its convenience, in whole or in part, by giving selected applicant(s) written

notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Grant Agreement in part, the budget shall be equitably adjusted to reflect those reductions.

(3) Non-Appropriation

Selected applicant(s) acknowledges that continuation of the Grant Agreement is subject to appropriation or availability of funds for the Grant Agreement. If funds to enable the State to effect continued payment under the Grant 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 Grant 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 selected applicant(s). The State shall give selected applicant(s) 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 selected applicant(s) 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 Grant Agreement.

(4) Criminal Conviction

The State may terminate the Grant Agreement immediately and without further liability or penalty in the event selected applicant(s), an officer of selected applicant(s), or an owner of a 25% or greater share of selected applicant(s) 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 selected applicant's business integrity.

(5) Approvals Rescinded

The State may terminate the Grant 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 selected applicant(s) or may be effective as of the date stated in such written notice.

## II-O 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 the Grant Agreement, or any benefit that arises from the Grant Agreement.

## II-P Non-Discrimination

In the performance of the Grant Agreement, selected applicant(s) 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. Selected applicant(s) further agrees that every subcontract entered into for the performance of the Grant 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 200, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Grant Agreement.

## II-Q 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 selected applicant, in relation to the Grant 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 Grant Agreement if, subsequent to award of the Grant Agreement, the name of grantor as an employer or the name of the subcontractor, manufacturer or supplier of grantor appears in the register.

## II-R Certification Regarding Debarment

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

## II-S Illegal Influence

(1) The selected applicant(s) 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 selected applicant(s), 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 selected applicant(s) shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The selected applicant(s) shall require that the language of this certification be included in the award documents for all grant or subcontracts and that all subrecipients 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 Grant 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 selected applicant(s) 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 selected applicant(s), 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-T Governing Law

The Grant 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.

## II-U Compliance with Laws

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

## II-V Jurisdiction

Any dispute arising from the Grant Agreement shall be resolved in the State of Michigan. With respect to any claim between the parties, selected applicant(s) 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-W Assignment**

Selected applicant(s) shall not have the right to assign the Grant Agreement, or to assign or delegate any of its duties or obligations under the Grant 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.

**II-X Entire Grant Agreement**

The Grant Agreement, including any Attachments, will constitute the entire Grant Agreement between the parties with respect to the grant and supersedes all prior Grant Agreements, whether written or oral, with respect to such subject matter.

**II-Y Independent Contractor Relationship**

The relationship between the State and selected applicant(s) is that of client and independent contractor. No agent, employee, or servant of selected applicant(s) or any of its subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Selected applicant(s) will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of the Grant Agreement.

**II-Z Conflicts**

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

# PART III

# WORK STATEMENT

## III-A Purpose

The purpose of this RFP is to provide energy assistance to low-income customers confronted with energy shut-off, as well as preventative programs to reduce the number of customers experiencing energy shut-off. Grants may be used to serve additional clients under existing eligibility guidelines, increase the amount of assistance available to eligible households, or revise existing eligibility guidelines to serve clients otherwise unable to obtain assistance through existing programs. Preference in awarding the grants will be given to organizations that can provide assistance to multiple counties or populations of 500,000 or more; with a proven record in distributing energy assistance to low-income residents; with an existing administrative structure that can handle additional distribution activities; and the ability to coordinate the provision of assistance with other service providers.

## III-B Problem Statement

As Michigan's economic situation tightens, low-income households can face utility shut-offs for nonpayment of bills or the inability to purchase deliverable fuels. Compared with an estimated 5% for other households, low-income households (100% of poverty level) may spend 16% of their income on household energy bills. Any increase in energy costs can have a significant impact on low-income household budgets. Existing funding to provide energy assistance has not increased consistent with the need, and existing assistance eligibility guidelines include only households with the greatest need.

## III-C Objectives

(1) Provide statewide energy assistance to low-income customers confronted with energy shut-off, as well as preventative programs to reduce the number of customers experiencing energy shut-off by utility companies and deliverable fuels providers.

(2) Supplement existing energy assistance programs, enabling the providing organizations to increase the level of assistance provided to clients, serve more clients at the existing assistance levels and under current eligibility guidelines, and/or expand the eligibility requirements to include low-income households not eligible under current eligibility guidelines.

(3) Coordinate with other service providers to more efficiently serve the energy assistance needs of low-income clients.

(4) Leverage other funds to provide low-income energy assistance.

**III-D Tasks**

(1) Coordinate availability of this low-income energy assistance program with other services currently provided by the selected applicant.

(2) Determine if the client meets the eligibility requirements.

(3) Provide assistance to eligible clients within the established timeline in accordance with the Grant Agreement.

(4) Establish and implement quality control measures to ensure funds are used for the intended purpose.

(5) Coordinate provision of energy assistance measures to clients with other service providers.

(6) Coordinate the program with other agencies that provide weatherization and education with a focus on reducing energy consumption.

(7) Provide energy assistance through the organization's existing administrative framework.

(8) Provide progress report narratives and interim financial status reports with source documentation, to indicate the amount of funds expended in each line item category of the budget. At the close of the grant period a final report narrative and final financial status report with source documentation are required by August 15, 2010. For further details and due dates see Part IV, Section IV-B, Monitoring and Reporting Program Performance.

(9) Evaluate the success of the program by providing details on how many clients were reached, eligibility requirements used, and amount of assistance provided.

## PART IV

## PROJECT CONTROL AND REPORTS

### IV-A Project Control

(1) The selected applicant(s) will carry out the project under the review of the Grant Administrator. The Michigan Department of Energy**,** Labor & Economic Growth Grant Administrator shall have final authority over the Agency/Grantee Agreement.

(2) Along with continuous liaison with the selected applicant(s), the 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 must inform the Grant Administrator in writing outlining the proposed changes.

### IV-B 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) **Narrative Progress Reports**. The selected applicant(s) shall submit narrative progress reports to the Grant Administrator no later than the 15th of January and April 2010. The reports should include the following information at a minimum:

(a) Name of selected applicant(s), 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) (1) The number of households served; (2) the number of Temporary Assistance for Needy Families (TANF) eligible families served by the project (TANF eligible means low-income family and a related child, under age 18, or age 18 or 19 and a full

time high school student expected to graduate before age 20 living with an adult caretaker, or a pregnant woman living in the home); (3) average amount of assistance per household; and (4) number of clients served by county.

(iii) 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 Grant Administrator.

(e) Statement concerning any significant deviation from the previously agreed-upon Work Statement, Part III, Work Statement.

(3) **Interim Financial Status Reports (FSR)**. The selected applicant(s) shall submit a signed and dated FSR to the Grant Administrator indicating the amount of funds expended in each line item category of the budget. Financial Status Reports are due the 15th of January and April 2010.

(a) The FSRs shall be completed on Form #C-108 in MS Excel to be electronically provided to selected applicant(s) by the Grant Administrator.

(b) Indicate in box #6 "Progress Report."

(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 Report Narrative**. The selected applicant(s) will do the following:

(a) Submit a draft of the final report by August 15, 2009.

(b) After the Grant Administrator has determined the completeness and factual accuracy of the report, the selected applicant shall submit a final copy of the report to the Grant Administrator.

(c) The final report shall include the following information at a minimum:

(i) Name of selected applicant(s), grant number, and dates of final reporting period.

(ii) Percent (%) completion of the project objectives.

(iii) A summary of the project implementation plan and any deviations from the original plan as proposed.

(iv) Accomplishments and problems experienced while carrying out project activities.

(v) Coordinated efforts with other organizations to complete the project.

(vi) Impacts, anticipated and unanticipated, experienced as a result of project implementation.

(vii) Financial expenditures of grant money and other contributions to the project, in-kind or matched funds, and/or direct funding.

(viii) Actual expenditures compared to the budget in the Grant Agreement, including in-kind, and/or direct funding. Include the basis or reason for any discrepancies.

(ix) Any experience in applying the project products and anticipated "next steps."

(x) (1) The total number of households served; (2) the number of Temporary Assistance for Needy Families (TANF) eligible families served by the grant project (TANF eligible means low-income family and a related child, under age 18. or age 18 or 19 and a full time high school student expected to graduate before age 20 living with an adult caretaker, or a pregnant woman living in the home); (3) average amount of assistance per household; and (4) number of clients served by county.

(5) **Final Financial Status Report (FSR).** The selected applicant(s) shall submit a signed and dated final FSR to the Grant Administrator indicating the amount of funds expended in each line item category of the budget along with the final report narrative by August 15, 2010.

(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.

(e) An individual authorized by the organization must sign and date Form #C-108 (box #14).

## PART V

## 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 resumes. Hard copy proposals must be single-sided, and must have an original signature. Electronically submitted proposals must have a scanned signature or e-signature.

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."

### V-A 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.

### V-B 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.

### V-C Method for Addressing the Problem

State in succinct terms the applicant's proposed method for addressing the problem presented in this RFP, see Part III, Section III-B, Problem Statement. Describe any significant obstacles the applicant has had meeting the needs of low-income clients in providing energy assistance.

### V-D Management Summary

(1) Describe management procedures that will be used by the organization to accomplish set goals.

(2) Describe how the organization will coordinate with utility companies, deliverable fuel provides, and other assistance providers to accomplish set goals.

(3) Explain how staff will be trained to handle the additional distribution activity.

(4) Explain how staff will be monitored.

(5) Describe “lessons learned” regarding administration and management of the program(s) funded by the LIEEF and other grant programs in previous years.

(6) Describe the organization’s quality control measures.

(7) Indicate the type of accounting system/software the organization will use to account for grant funds.

(8) Indicate whether the organization prepares financial statements and how often.

(9) Describe the organization’s internal control over accounting.

(10) Indicate whether the organization performs internal audits of its operations.

(11) Include a detailed organizational chart including names and titles of all employees that will contribute in any way to the program.

**V-E Work Plan**

(1) Provide the plan for reaching low-income clients.

(2) Indicate and justify the estimated number of staff that will spend time providing heating assistance, and provide a description of the work to be performed.

(3) Explain how this plan will be coordinated with other services offered by the applicant.

(4) Describe how applications will be taken and low-income client eligibility will be determined and verified. Include the organization’s household income eligibility limit in terms of percentage of poverty level.

(5) Project the number of eligible low-income clients to be served.

(6) Estimate the average payment per client.

(7) Explain how payments will be provided to the client.

(8) Project the geographic area to be covered.

(9) Provide the factors used to determine the amount of funds distributed to each county in the organization’s coverage area.

(10) Explain how the organization coordinates with other agencies that provide weatherization and education that focus on reducing energy consumption.

(11) Describe how the low-income energy assistance program will be evaluated. The evaluation should include the number of clients served by county, the demonstrated need for heating assistance within the organization's client base by county, eligibility requirements, the level of heating assistance provided, and number of Mcfs of natural gas and kWhs of electricity paid for by the grant funds.

## V-F Current and Prior Experience Disclosure

Current and prior experience in providing heating assistance programs to low-income residents is important to the selection process. Proposals submitted should include:

(1) A description of the organization's experience in conducting the type of work proposed. Include current activities and activities for the previous five (5) years. Include project results.

(2) If applicant received a LIEEF award in prior years for the type of project proposed, provide a summary of project accomplishments, including number of clients served annually, noteworthy accomplishments, and problems encountered in carrying out grant responsibilities and how the problems were resolved.

(3) Current funding source(s) and the level of funding for the current year and the previous five (5) years.

## V-G Personnel

Applicants must be able to staff a project team that clearly possesses talent and experience in providing energy assistance to low-income residents. 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.

## V-H Time Frame

The State contemplates the grant period will start October 2009 in and will end on July 31, 2010.

Applicants are required to provide a timeline for completing the planned activities and tasks for their grant project from October 1, 2009 to July 31, 2010. A month-to-month format shall include, at a minimum:

(1) the estimated number of clients to be served;

(2) the estimated amount of funds to be spent for each client; and

(3) the required dates for all reports due to the Issuing Office.

## V-I Budget Considerations

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 5% of the total line item amount do not require prior written approval, but selected applicant(s) must provide notice to the 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 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 five (5) headings identified as the: # Line, Budget Line Items, MPSC Share, In-Kind or Matched Funds, 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% 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 V-I(2)(h).

(d) **Travel –** please specify; travel rates may be obtained at web.cis.state.mi.us/fast/travreg.htm/. Meals and lodging must be supported by receipts and reason for travel. Mileage must be supported by travel logs with 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 grant administrator.

(e) **Other Expenditures** – please specify item(s) and costs.

(f) **Direct Assistance** – estimate the number of clients to be served *and* the anticipated average assistance payment.

(g) **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 LIEEF grant.

(h) **Total** – project amounts for each column.

(i) **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 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 ineligible for future grant awards that may be available from the LIEEF.

(d) Should the entire State share of the grant award be 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 LIEEF. Grants from each funding source must be managed, reported, and accounted for separately from all funding sources.

(h) Competitive Bidding. Selected applicant(s) assumes responsibility to select subcontractors on a competitive basis.

(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 subcontractor(s) shall mail or email a copy of their bid directly to: Lois Gruesbeck, Grant Administrator, Michigan Public Service Commission, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911.

(iv) The selected applicant(s) must award the project to the lowest bid. A higher bid selection must have prior written approval by the Grant Administrator.

(v) When awarding subcontracts, the selected applicant(s) shall ensure that preference is given to products manufactured or services offered by Michigan-based firms.

## V-J 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.

## V-K 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

## PART VI

## SELECTION 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.

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 I-B, 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 (15 points):**

(a) An existing structure for providing low-income energy assistance (8 points).

(b) Access to clients (7 points).

**2. Management summary (15 points):**

(a) Project management (5 points).

(b) Effectiveness of quality control measures (5 points).

(c) Adequacy of internal control over accounting (5 points).

**3. Work plan (35 points):**

(a) Projected number of clients that will be reached by the project and level of assistance provided (5 points).

(b) Projected population that will be reached in the geographic area covered by the program (4 points). Points will be awarded as follows:

- $\geq$500,000 = 4 points
- 499,000 – 300,000 = 3 points
- 299,000 – 100,000 = 2 points
- <100,000 = 1 point

(c) Statewide coordination and geographic area covered (5 points). Points will be awarded based on number of counties served as follows:

- >10 = 5 points
- 8-10 = 4 points
- 5-7 = 3 points
- 2-4 = 2 points
- 1 = 1 point

(d) Quality of plan to develop and implement the project (11 points).

(e) Coordination of heating assistance with organizations that provide weatherization and education that focus on reducing energy consumption (5 points).

(f) Plan to evaluate the project (5 points).

(4) **Budget (35 points):**

(a) Budget line items are reasonable and detailed as requested (18 points).

(b) Ability to *minimize* administrative and overhead costs (12 points).

(c) The ability to leverage additional funds (5 points). Points will be awarded as follows:

- 80% - 100% = 5 points
- 60% - 79% = 4 points
- 40% - 59% = 3 points
- 20% - 39% = 2 points
- 1% – 19% = 1 points
- <1% = 0 points

**APPENDIX A** (Low-Income Energy Assistance)

**V-I Budget Considerations (Numerals must be rounded to whole dollar)**
(Organization's Name)

| Line # | Budget Line Items | MPSC Share | In-Kind or Matched (not required) | Total |
|---|---|---|---|---|
| 1 | **Personnel** | | | |
| 2 | Salary: Name, job title, hours x rate of pay | 0 | 0 | 0 |
| 3 | Basic Benefits: Associated with job title above. Be specific. | 0 | 0 | 0 |
| 4 | Total Salaries | 0 | 0 | 0 |
| 5 | Total Basic Benefits: | 0 | 0 | 0 |
| 6 | **Total Personnel:** | 0 | 0 | 0 |
| | | | | |
| 7 | **Direct Supplies, Materials, and Equipment** | | | |
| 8 | Name of item, number of units x cost/unit | 0 | 0 | 0 |
| 9 | **Total Supplies, Materials, and Equipment:** | 0 | 0 | 0 |
| | | | | |
| | **Contractual Services (must be competitively bid)** | | | |
| 10 | **In narrative explain how bidding will be conducted** | | | |
| | List Services | | | |
| 11 | (In narrative describe service to be performed) | 0 | 0 | 0 |
| 12 | **Total Contractual Services-Bid Out:** | 0 | 0 | 0 |
| | | | | |
| | **Travel (must use State of Michigan travel rates)** | | | |
| 13 | **In narrative provide reason for travel.** | | | |
| 14 | Name and job title | 0 | 0 | 0 |
| 15 | Meals for this individual | 0 | 0 | 0 |
| 16 | Lodging for this individual | 0 | 0 | 0 |
| 17 | Mileage for this individual ($.399 per mile) | 0 | 0 | 0 |
| 18 | **Total Travel:** | 0 | 0 | 0 |
| | | | | |
| | **Other Expenses** | | | |
| 19 | **In narrative provide detailed explanations** | | | |
| 20 | Name of Item, number of units x cost/unit | 0 | 0 | 0 |
| 21 | **Total Other Expenses:** | 0 | 0 | 0 |
| | | | | |
| 22 | **Direct Assistance** | | | |
| | Estimate number of clients x anticipated | 0 | 0 | 0 |
| 23 | average assistance payment | 0 | 0 | 0 |
| 24 | **Total Direct Assistance** | | | |
| | | | | |
| | **Indirect Costs (Not to exceed 20%)** | | | |
| 25 | **Decimal percentage: ._ _ _ _** | | | |
| 26 | **See Appendices B and C** | 0 | -- | -- |
| 27 | **Total Indirect Costs:** | 0 | -- | -- |
| | | | | |
| 28 | **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 - LIEEF 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 LIEEF 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 - LIEEF grant award divided by total revenue** | 0.6667 | Based on total revenue of $1,500,000 with a LIEEF grant award of $1,000,000 |
| 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 X 9 = $124,050.06).

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

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