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June 8, 2007

Low-Income Energy EFFICIENCY Grant(s)

The Michigan Public Service Commission (Commission) invites proposals to improve the efficiency and/or reduce the energy consumption and expenditures for Michigan low-income households in the state of Michigan. Only non-profit, public, and private organizations are eligible to submit proposals. One or more grants may be awarded. Grants will be funded by the Low-Income and Energy Efficiency Fund; up to \$20 million. **The distribution of monies from this fund is contingent on the passage of, and will be consistent with, the 2008 appropriations bill.** Proposals may be for a portion of the available funds or for the entire amount. It is anticipated the grant(s) will be awarded in a Commission Order in July/August 2007, and the grant period is expected to begin October 2007 and end August 31, 2008.

Attached you will find the Request for Proposal (RFP). It provides sufficient information to enable your organization to prepare and submit a proposal, budget, budget narrative, and timeline.

PRE-PROPOSAL CONFERENCE

A Pre-Proposal Conference will be held for this RFP at 10:00 a.m., Friday, June 15, 2007, at the Commission, 6545 Mercantile Way, Lansing, MI 48911. Questions that arise as a result of this RFP may be presented at this conference. Information provided and questions responded to will be posted on the Low-Income and Energy Efficiency Fund (LIEEF) website thereafter at <http://www.michigan.gov/lieefund>.

PROPOSAL DEADLINE

Proposals must reference Case No. U-13129. An original with signature and 10 additional copies must be received at the Commission office no later than **5:00 p.m., Friday, June 22, 2007**. Mail or deliver proposals to:

Mr. Jesse Harlow, Grant Administrator
Michigan Public Service Commission
Motor Carrier, Energy Grants & Information Division
6545 Mercantile Way
Lansing, Michigan 48911

**LOW-INCOME ENERGY EFFICIENCY GRANT
REQUEST FOR PROPOSAL**

PART I

GRANT INFORMATION
(PLEASE RETAIN FOR FUTURE REFERENCE)

I-A Statement of Purpose

The purpose of this Request for Proposal (RFP) is to obtain proposals from non-profit, public, or private organizations to improve the energy efficiency and/or reduce the energy consumption and expenditures for Michigan low-income residents through a Low-Income Energy Efficiency Grant (LIEEG) as part of the Low-Income and Energy Efficiency Fund (LIEEF/Funds) administered by the Michigan Public Service Commission (Commission).

The initial distribution of Grant funds, anticipated to occur in October 2007, will extend from the initial awarding of the Grant(s) from the Commission. The Grant(s) awarded from this solicitation will be for actual costs supported by documentation. This RFP provides interested parties with sufficient information to enable them to prepare and submit a proposal, budget, budget narrative, and a timeline for consideration by the State of Michigan to receive a Grant.

I-B Eligibility Requirements

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

- (a) The applicant must be a non-profit, public, or private organization offering service to low-income residents in Michigan. A public organization is considered to be a governmental agency;
- (b) The funds requested must supplement, not substitute for, existing funding;
- (c) The applicant must submit one signed original and 10 copies of the proposal by the time and date specified in the cover letter;
- (d) The proposal must be prepared using the format specified in PART V, Information Required From Applicants.

Preference in awarding the Grant(s) will be given to organizations (also refer to PART V, Section V-F):

- (a) with a proven record in conducting energy efficiency programs for low-income households;
- (b) with an existing administrative structure to handle additional distribution activities;
- (c) most capable of offering services statewide;
- (d) a high ratio of direct deliverable's compared to administrative costs.

I-C Issuing Office and Funding Source

This RFP is issued by the Michigan Public Service Commission (Issuing Office), Michigan Department of Labor and Economic Growth. The MPSC is the point of contact in the State for this RFP for purposes of Grant administration. The contact person at the MPSC is Mr. Jesse Harlow, Grant Administrator; Motor Carrier, Energy Grants & Information Division; Michigan Public Service Commission; 6545 Mercantile Way, Lansing, Michigan, 48911.

On February 20, 2004, the Commission in its Order in Case No. U-13808 granting interim rate relief, rolled 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 mechanism was set to generate \$39,858,000 annually. The Commission in its final Order in Case No. U-13808 issued on November 23, 2004, reaffirmed the \$39.8 million of annual funding. Detroit Edison's remittance, which occurs on a monthly basis, is \$39.8 million annually. On December 22, 2005, the Commission in its Order in Case No. U-14347 authorized Consumers Energy to fund \$26,536,000 for the LIEEF from its electric customers. Currently Consumers Energy's remittance totals \$26.536 million annually. On November 21, 2006, the Commission in its Order in Case No. U-14547 authorized Consumers Energy to fund \$17,427,000 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(s) show(s) the organization(s) to be the best qualified, responsible 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 the program is currently up to \$20 million.

The Grant(s) that may be entered into will be that which is most advantageous to the State, utilizing the selection criteria provided in Part VI.

I-E Rejection of Proposals

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

I-F Incurring Costs

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

I-G Pre-Proposal Conference

A Pre-Proposal Conference will be held for this RFP at 10:00 a.m., Friday, June 15, 2007, at the Commission, 6545 Mercantile Way, Lansing, MI 48911. Questions that arise as a result of this RFP may be presented at this conference. Information provided and questions responded to will be posted on the Low-Income and Energy Efficiency Fund website thereafter at <http://www.michigan.gov/lieefund>.

I-H Inquiries

Questions that arise as a result of this RFP may be presented at the Pre-Proposal Conference as outlined in PART I, Section I-G or may be submitted to the MPSC contact person (see Section I-C).

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: <http://www.michigan.gov/lieefund>.

I-J Response Date

To be considered, proposals must be received in the Issuing Office by the date and time specified in the cover letter. Faxed 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. An original proposal with a signature, and 10 copies of same, shall be submitted to the Issuing Office. Proposals must be signed by an official authorized to bind the applicant to its provisions and to the provisions of this RFP. For this RFP, the proposal must remain valid for at least 60 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. 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 Oral Presentation

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

I-O Prime Applicant Responsibilities

The selected applicant(s) will be required to assume responsibility for all services offered in 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-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 45% of the total grant payment will be made to the Grantee(s), an additional advance may be provided upon submission of documentation to the State showing 90% of the previous advance has been expended and an appropriate level of progress has been made toward completing the project. 10% of the total grant payment will be held back pending completion of the project and submission of final documentation and reporting requirements.

Grantees will be required to provide Bimonthly Reports on a Bimonthly basis beginning in November, Bimonthly Reports and 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 and Financial Status Report with source documentation is expected by September 15, 2008. For further details and due dates see PART IV, Section IV-B, Monitoring and Reporting Program Performance. At the end of the term of the Grant and at the request of the Commission, all unexpended Grant funds must be returned to the State. Failure to do so may render the Grantee ineligible for any future Grant awards that may be available from the Low-Income and Energy Efficiency Fund.

I-Q News Releases

News releases pertaining to this RFP or the service, study or project to which it relates shall not be made without prior State approval and then only in coordination with the 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 Public Act No. 442, as amended, MCL 15.231, et seq.

I-S Copyrighted Materials

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

I-T Multiple Proposals from One Bidder Not Allowed

Applicants shall submit a single proposal only. Within the single proposal the applicant may identify options, including solicited and unsolicited products, services, and features that the applicant believes may enhance or supplement its proposal.

I-U Electronic Payment

Electronic transfer of funds is mandatory for State of Michigan vendors. Selected applicant(s) is required to register with the State at <http://www.cpexpress.state.mi.us>. Public Act 533 of 2004, requires all payments be transitioned over to EFT by October, 2005.

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 Project Income

To the extent that it can be determined that interest was earned on advances of funds, such interest shall be remitted to the Grantor. All other program income shall either be added to the project budget and used to further eligible program objectives or deducted from the total program budget for the purpose of determining the amount of reimbursable costs. The final determination shall be made by the 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 Grantee 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. At the discretion of the Commission, accounting records must be supported by source documentation including, but not limited to, invoices, receipts, time sheets, computer printout of accounts, balance sheets, general ledgers, check registers or copies, etc. The expenditure of state funds shall be **incurred within the grant period** and 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 applicant's location(s) to determine if the selected applicant(s) is complying with the requirements of the 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 Agreement requirements. The Grantor may require the completion of an audit before final payment.

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

II-K Intellectual Property

Unless otherwise required by law, all intellectual property developed using funds from the 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 Agreement.

II-M Indemnification

(a) 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 Agreement and that are attributable to the negligence or tortuous acts of the selected applicant(s) or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Employee Indemnification

In any and all claims against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the selected applicant(s) 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 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.

(c) 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 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 Agreement without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

(a) Termination for Cause

In the event that selected applicant(s) breaches any of its material duties or obligations under the 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 Agreement immediately in whole or in part, for cause, as of the date specified in the notice of termination. In the event that the 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 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.

(b) Termination for Convenience

The State may terminate the Agreement for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Agreement, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the services no longer practical or feasible. The State may terminate the 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 Agreement in part, the Budget shall be equitably adjusted to reflect those reductions.

(c) Non-Appropriation

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

(d) Criminal Conviction

The State may terminate the 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.

(e) Approvals Rescinded

The State may terminate the 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 Agreement, or any benefit that arises from the Agreement.

II-P Non-Discrimination

In the performance of the 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 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 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(s), in relation to the Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Agreement if, subsequent to award of the Agreement, the name of Grantor as an employer or the name of the subcontractor, manufacturer or supplier of Grantor appears in the register.

II-R Certification Regarding Debarment

The selected applicant(s) certifies, by signature to the Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the 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 Agreement.

II-S Illegal Influence

(a) The selected applicant(s) certifies, to the best of his or her knowledge and belief that:

(1) 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.

(2) 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.

(3) 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 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.

(b) 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 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 Agreement.

II-V Jurisdiction

Any dispute arising from the 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 Agreement, or to assign or delegate any of its duties or obligations under the Agreement, to any other party (whether by operation of law or otherwise), without the prior written consent of the Grantor. Any purported assignment in violation of this section shall be null and void.

II-X Entire Agreement

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

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 Agreement.

II-Z Conflicts

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

PART III
WORK STATEMENT

III-A Purpose

The purpose of this Grant is to improve the energy efficiency of low-income households, resulting in reduced energy consumption and expenditures. Low-Income Energy Efficiency Grants will be available to non-profit, public, and private organizations. Preference in awarding the Grant(s) will be given to organizations with a proven record in conducting energy efficiency programs for low income households with an existing administrative structure that can handle additional distribution activities, and to those organizations most capable of offering services statewide; however, applications from other organizations will be considered. The Grant(s) will extend from the date of initial issuance of funds, anticipated to be **October 2007** to August 31, 2008.

III-B Problem Statement

Compared with an estimated 6% for other households, low-income households (100% of poverty level) may spend 12% of their income on household energy bills, meaning any increase in energy costs can have a significant impact. As Michigan's economic situation tightens, low-income households have a more difficult time meeting their energy needs; any reduction in energy expenditures can have a positive impact on the household's economic security. Therefore, low-income residents will benefit from implementation of projects that reduce the amount of energy their households use. Energy efficiency improvements for low-income residents can be a cost effective solution and/or alternative to bill payment assistance and provides future economic, social, and environmental benefits.

III-C Objectives

- (a) Implement improvements to the homes of low-income customers that increase energy efficiency and reduce energy expenditures;
- (b) Teach low-income residents how to reduce energy demand resulting in lower energy costs.

III-D Tasks

- (a) Coordinate promotion of availability of this low-income energy efficiency program with other promotions and services currently being conducted by the Grantee;

- (b) Determine if the client meets the eligibility requirements;
- (c) Provide energy efficiency proficiently and in a timely manner to eligible clients within the established timeline in accordance with the Grant Agreement;
- (d) Establish and implement quality assurance measures to ensure funds are used for the intended purpose;
- (e) Coordinate provision of energy efficiency with other service providers;
- (f) Provide energy efficiency through the organization's existing administrative framework;
- (g) Provide Bimonthly Reports beginning in November, including progress and 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 and Financial Status Report with source documentation is expected by September 15, 2008. For further details and due dates see PART IV, Section IV-B, Monitoring and Reporting Program Performance;
- (h) Evaluate the success of the program by providing details on how many clients were reached, eligibility requirements used, and amount of energy efficiency provided, and estimates of energy savings resulting from the program.

PART IV

PROJECT CONTROL AND REPORTS

IV-A Project Control

- (a) The selected applicant(s) will carry out the project under review of the Grant Administrator. The Michigan Department of Labor and Economic Growth's Grant Administrator shall have final authority over the Agency/Grantee agreement.
- (b) 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.
- (c) Prior to executing any changes to the scope of the project and/or budget, the Grantee 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.

- (a) **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.
- (b) **Bimonthly Reports.** The selected applicant(s) shall submit one (1) copy to the Grant Administrator of the **Bimonthly Reports** due the 1st of November, January, March, and May, to be presented in the following format at a minimum:
 - (1) Name of selected applicant(s), Grant number, and dates of current reporting period.
 - (2) Percent (%) completion of the project objectives.
 - (a) Include a brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent period;
 - (b) The number of households served;
 - (c) Explain the type of services provided and the anticipated savings as a result of the program;

- (d) Actual Budget expenditures compared to the Budget in the Grant Agreement.
 - (3) Noteworthy accomplishments.
 - (4) Brief description of problems or delays, real or anticipated, which should be brought to the attention of the Grant Administrator.
 - (5) Statement concerning any significant deviation from previously agreed-upon Statement of Work.
- (c) **Financial Status Reports (FSRs) and/or Payment Requests.** The selected applicant(s) shall submit one (1) signed and dated FSR to the Grant Administrator indicating the amount of funds expended in each line item category of the budget. FSRs are due the 1st of November, January, March, and May. Payment Requests will be submitted as needed.
- (1) Form #C-108 shall be used for both FSRs and Payment Requests. Form #C-108 in MS Excel will be provided to selected applicant(s) electronically by the Commission staff;
 - (2) Indicate in Box # 6 on Form #C-108 “Payment Request” or “Financial Status Report”, a Payment Request may be submitted in lieu of or in addition to a FSR;
 - (3) Attach source documentation as specified in PART II, Section II-G, Accounting;
 - (4) The expenditure of state funds shall be incurred within the grant period and reported by line item and compared to the Budget;
 - (5) In-Kind or Matched Funds must be utilized within the established time line for this grant and also must be supported by source documentation;
 - (6) Sign and date Form #C-108 by an authorized individual (Box #14).
- (d) **Final Report.** The selected applicant(s) will do the following:
- (1) Submit four (4) draft copies of the final report by September 15, 2008 for review by the Grant Administrator.
 - (2) Upon receiving written approval from the Grant Administrator indicating completeness and factual accuracy of the report, the Grantee shall submit four (4) final copies of the report to the Grant Administrator.
 - (3) The **Final Report** shall be presented in the following format, at a minimum:

- (a) Name of selected applicant(s), Grant number, and dates of final reporting period;
- (b) Percent (%) completion of the project objectives;
- (c) A summary of the project implementation plan and any deviations from the original project as proposed;
- (d) The number of households reached by the project and participants by county; and explain the type of services provided;
- (e) The average amount of energy savings per household, the total estimated amount of energy savings for the year, and the basis for the estimation;
- (f) Copies of any materials used in the project;
- (g) Project evaluation including the impact on clients;
- (h) Accomplishments and problems experienced while carrying out the project activities;
- (i) Coordinated efforts with other organizations to complete the project;
- (j) Impacts, anticipated and unanticipated, experienced as a result of the project implementation;
- (k) Financial expenditures of Grant money and other contributions to the project, In-Kind or Matched funds, and/or direct funding;
- (l) Any experience in applying the project products and anticipated “next steps”;
- (m) Actual Budget expenditures compared to the Budget in the Grant Agreement.

(e) **Final Financial Status Report (FSR)/Final Payment Request.** The selected applicant(s) shall submit one (1) 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 due by September 15, 2008.

- (1) On Form #C-108, indicate in Box # 5 “Final”;
- (2) Attach source documentation as specified in PART II, Section II-G, Accounting;

- (3) The expenditure of state funds shall be incurred within the grant period and reported by line item and compared to the Budget;
- (4) In-Kind or Matched Funds must also be performed within the established time line for this grant and also must be supported by source documentation;
- (5) Sign and date Form #C-108 by an authorized individual (Box #14).

PART V

INFORMATION REQUIRED FROM APPLICANTS

Grant proposals must be typed in a 12 point font with no more than 40 numbered pages (this count includes any cover page and/or attachments), double-spaced, and single-sided. Binder clips are acceptable. No staples or fancy bindings. Mail confirmation receipts are the responsibility of each organization. Applicant(s) must present the following information as outlined in the format below:

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 Contact Person

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 Statement of the Problem

State in succinct terms the applicant's proposed method for addressing the problem presented by this RFP. Describe any significant obstacles the applicant has had meeting the needs of low-income households either in providing energy efficiency or other services.

V-D Management Summary

- (a) Describe the organization's existing program(s) for assisting low-income households in increasing the energy efficiency of their homes and current source(s) of funding;
- (b) Provide a plan for promoting the program within the established timeline;
- (c) Describe how the funding will be managed by the organization to accomplish set goals. Include In-Kind, Matched Funds, as well as any Administrative and Indirect Costs, if applicable;
- (d) Describe how the organization will coordinate with other material providers and other charitable and non-charitable organizations to accomplish set goals;

- (e) Describe quality assurance measures that will be taken to insure that only eligible households receive funds;
- (f) Describe “lessons learned” regarding the administration and management of the programs(s);
- (g) Include an organizational chart for additional understanding of the management structure.**

V-E Work Plan

- (a) Identify the types of services to be provided and justification for why those particular services will be offered;
- (b) Indicate and justify the estimated number of staff that will spend time providing energy efficiency projects;
- (c) Explain how staff will be trained and monitored;
- (d) Describe how low-income household eligibility will be determined and verified for the project;
- (e) Project the number of eligible low-income households to be served and the geographic area to be covered by the project;
- (f) Provide a plan for reaching low-income households within the established timeline;
- (g) Explain how this plan will be coordinated with other services offered by the applicant or other service agencies;
- (h) Quantify how energy savings will be determined;
- (i) Describe how the low-income energy efficiency project will be evaluated to determine its impact on heating bills, the number of households served by county, and the level of energy efficiency provided.

V-F Prior Experience Disclosure

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

- (a) A description of low-income energy efficiency programs currently operated by the organization, number of households served annually for the current year and for the previous three (3) years;
- (b) The amount of resulting energy savings by program for the current year and the previous three (3) years;
- (c) Current funding source(s) and the level of funding for the current year and the previous three (3) years; and, to the extent possible, the number of households unassisted due to: a) insufficient funding; and, b) failure to meet eligibility requirements;
- (d) If applicant received LIEEF for low-income energy efficiency projects in prior years, provide a summary of project accomplishments, including number of households assisted to date, amount distributed, noteworthy accomplishments, and problems encountered in carrying out Grant responsibilities and how the problems were resolved.

V-G Personnel

Applicants must be able to staff a project team that clearly possesses talent and experience in conducting low-income energy efficiency programs. In the narrative, identify the authorized contact person and other key personnel to be *involved with this project*, by name, title, their role or responsibility, and their qualifications. Also, provide to the Issuing Office a resume for each person listed on the budget and for persons under In-Kind or Matched Funds.

If other organizations will be playing a role in assisting low-income residents 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

To assist in preparation of the proposal, the State contemplates the grant period will start in October 2007 and will end on August 31, 2008.

Applicants are required to provide a timeline for completing the planned activities and tasks for their grant project from October 2007 to August 31, 2008. A month-to-month format shall include, at a minimum:

- (a) The estimated number of households;
- (b) The estimated amount of funds to be spent for each household;
- (c) The required dates for all reports due to the Issuing Office.

V-I Budget Considerations

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

The budget narrative must be detailed and must correspond to each line in the budget (refer to Appendix A). Numerals must be rounded to the whole dollar.

The Grant will be paid out according to the Grant Payment Schedule in PART I, Section I-P and/or any approved Amendment to the Budget.

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. Refer to the Budget example in Appendix A.

- (a) **Personnel** – if applicable, 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; and totals for each position and a total for all personnel costs. For reimbursement, time sheets must be submitted and hours worked must be grant related.
- (b) **Supplies, Materials, & Equipment** – if applicable, specify unit(s) and unit costs;
- (c) **Contractual Services** – if applicable, must use competitive bidding selection; See Sub-Section (h).
- (d) **In-State Travel** – if applicable, please specify; out-of-state travel is prohibited;
- (e) **Other Expenditures** – if applicable, please specify item(s) with costs.
- (f) **Indirect Costs** – if applicable, please specify; Indirect Costs shall be based on a percentage on budget line items listed under the state share column only; carry-out to three (3) decimal places.
- (h) **TOTAL project amounts for each column.**

Additional Budget Information

(a) At such time that proposals are reviewed and approved, modifications to proposals may be necessary. **Selected applicant(s) will be required to submit a revised proposal for the purpose of entering into a Grant Agreement. New line items to the revised budget are not allowed.**

(b) Selected applicant(s) assumes the responsibility for insuring the Grant project is performed within the established timeline.

(c) Selected applicant(s) assumes the responsibility that at the end of the Grant term and at the request of the Commission, all unexpended Grant funds are returned to the State. Failure to do so may render the selected applicant(s) ineligible for any future Grant awards that may be available for the Low-Income and Energy Efficiency Fund.

(d) If the selected applicant(s) does not expend all their grant funds by the end of the Grant term, In-Kind or Matched Funds *must be proportionately reduced*. 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 In-Kind or Matched Funds total. All specific line items identified under In-Kind or Matched Funds must also identify anticipated source of contribution. In-Kind or Matched Funds must be performed for this grant within the established timeline and must be supported by source documentation.

(e) Indirect Costs *must be proportionately reduced* during the grant period, and if the selected applicant(s) does not expend all their grant funds 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 on budget line items listed under the state share column only. 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) In-State Travel rates may be obtained at <http://web.cis.state.mi.us/fast/travreg.htm/>. For reimbursement, 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.

(h) Competitive Bidding. Selected applicant(s) assumes the responsibility for a competitive bid selection, as follows:

(1) 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;

(b) The type, number, and description of projects as described in the proposal;

(c) The Solicitors shall mail a copy of their bid directly to: Mr. Jesse Harlow, Grant Administrator, Michigan Public Service Commission; Motor Carrier, Energy Grants & Information Division; 6545 Mercantile Way; Lansing, MI 48911;

(2) 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;

(3) 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.

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 an organization or organizations for the purpose of entering into a Grant to perform this project within the established timeline.

All proposals will receive an initial screening to insure that the eligibility criteria are met. Any proposals not meeting 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. Applicants may be asked to make oral presentations before a final decision is made.

Total points equal 100.

(a) **Experience of Organization and Project Team (15 points):**

- (1) An existing structure for providing low-income energy efficiency projects (5 points).
- (2) Access to clients (5 points).
- (3) Previous experience in delivering product, timeliness and accuracy of reports (5 points).

(b) **Management Summary (20 points):**

- (1) Project management and quality assurance measures (10 points).
- (2) Plan to evaluate the project (10 points).

(c) **Work Plan (30 points):**

- (1) Projected number of households that will be reached by the project (10 points).
- (2) Average amount of anticipated energy savings per household (6 points).
- (3) Quality of plan to develop and implement the project (7 points).
- (4) Statewide coordination and geographic area covered (7 points).

(d) **Budget (35 points):**

- (1) Budget line items are reasonable and detailed as requested (18 points).
- (2) Ability to *minimize* administrative and overhead costs (12 points).
- (3) The ability to leverage additional funds (5 points).

V-I Budget Considerations

(Organization's Name)

Line #	Budget Line Items	MPSC Share	In-Kind or Matched (if applicable, choose one)	Total
1	Personnel (if applicable)			
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	Supplies, Materials, and Equipment (if applicable)			
8	Name of item, number of units x cost/unit	0	0	0
9	Total Supplies, Materials, and Equipment:	0	0	0
10	Contractual Services - Bid Out (if applicable) In narrative explain how bidding will be conducted			
11	Name, job title, hours x rate of pay (In narrative describe service to be performed)	0	0	0
12	Total Contractual Services-Bid Out:	0	0	0
13	In-State Travel (if applicable). Must use State of Michigan In-State Rates. 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 (\$.328 per mile)	0	0	0
18	Total In-State Travel:	0	0	0
19	Other Expenses (if applicable) 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	Indirect Costs (if applicable) Decimal percentage: _ _ _ _			
23	Name of Item (Utilities, Maintenance, etc.)	0	--	--
24	Total Indirect Costs:	0	--	--
25	Total Project Costs:	0	0	0