

MICHIGAN ENERGY EFFICIENCY GRANT

REQUEST FOR PROPOSAL

PART I

GENERAL INFORMATION

I-A Purpose

The purpose of this Request for Proposal (RFP) is to obtain proposals from organizations for Michigan Energy Efficiency Grants (Grant or Grants) to develop or improve the quality or application of energy efficient technologies and to create or expand the market for such technologies. Preference will be given to projects that have a significant impact on both the energy efficiency and economy of Michigan. This RFP is offered as part of the Low-Income and Energy Efficiency Fund (LI/EE Fund or Fund) established as part of Public Act 141, MCL 460.10d(6) to be administered by the Michigan Public Service Commission (Commission). The intent of the Grant or Grants awarded from the Fund is to benefit Michigan residents, businesses, institutions, and/or government agencies through the development and marketing of advanced energy efficient technologies. Preference will be given to projects that:

1. develop or improve energy efficient technologies, including projects that advance the use of alternate fuels; improve the efficiency of energy consumption; advance the development of emerging technologies, e.g. fuel cells; expand renewable energy technologies, e.g. wind and solar energy; and/or improve the efficiency of the production and distribution of energy;
2. increase the availability, distribution, and market share of energy efficient technologies, including those listed in Section I-A1; and/or
3. demonstrate the application of energy efficient technologies, including those listed in Section I-A1.

The Grant(s) awarded from this solicitation will be for actual costs incurred during the grant period, supported by documentation. This RFP provides interested parties with sufficient information to enable them to prepare and submit proposals for consideration by the State of Michigan.

I-B Eligibility Requirements

It is anticipated that one or more grants will be awarded to one or more non-profit organizations, governmental agencies, educational institutions, and/or businesses. Applicants must have submitted a pre-proposal for this project by March 25, 2002 in response to the Commission's March 8, 2002 Request for Pre-Proposals to be considered for a grant. Both applicants receiving an evaluation of "more likely" and "less likely" to compare favorably to the selection criteria are eligible to submit a proposal.

Preference in awarding the grant(s) will be given to projects that have a significant impact on the energy efficiency and economy of Michigan.

I-C Issuing Office and Funding Source

This RFP is issued by the Michigan Public Service Commission (Issuing Office) in coordination with the Michigan Department of Consumer and Industry Services, Division of Purchasing and Grant Services, Cheryl Lane, Director. The Division is the point of contact in the State for this RFP for purposes of grant administration. For technical assistance on program administration, the point of contact is Margaret VanHaften, Project Manager, Michigan Public Service Commission, 6545 Mercantile Way, P.O. Box 30221, Lansing, Michigan 48909; telephone number: (517) 241-6165; fax number: (517) 241-6181; e-mail address: mrvanha@mi.gov.

This grant project will be funded 100% by savings resulting from electric utility securitization financing as detailed in Public Act 141, MCL 460.10d(6).

I-D Grant Award

The Issuing Office will undertake Grant award negotiations with the applicant(s) whose proposal(s) show(s) the organization(s) to be the best qualified, responsible and capable of performing the project. It is expected that one or more grants will be awarded. The total amount available for the program is currently \$12 million. Awarding of a grant this year in no way guarantees that the grantee will receive funds in future years. Grantees seeking funding in future years must submit a proposal in response to the Request for Proposals for that year and be considered on the same terms with all other submitted proposals.

The grant(s) that may be entered into will be that which is most advantageous to the State, selection criteria considered.

I-E Rejection of Proposals

The State reserves the right to reject any and all proposals received as a result of this RFP, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interest of the State. 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 Proposal Conference

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

I-H Inquiries

Questions that arise as a result of this RFP must be submitted in writing to the Issuing Office either by mail or fax. Telephonic questions cannot be answered. All questions must be submitted on or before the date specified in the cover letter.

I-I Changes to the RFP

Written answers to questions concerning the RFP will be provided to all prospective applicants on the Commission's website, <http://www.cis.state.mi.us/mpsc/>.

I-J Response Date

To be considered, proposals must arrive at the Issuing Office on or before the date and time specified in the cover letter. Applicants mailing proposals should allow normal delivery time to ensure timely receipt of their proposals.

I-K Proposals

To be considered, applicants must submit a complete response to this RFP, using the format provided in Part IV. An original signature copy plus eight additional copies of each proposal must be submitted to the Issuing Office. No other distribution of proposals will be made by these applicants. Proposals must be signed by an official authorized to bind the applicant to its provisions. For this RFP, the proposal must remain valid for at least sixty days.

I-L Acceptance of Proposal Content

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

I-M Economy of Preparation

Proposals should be prepared simply and economically, providing a straight-forward, concise description of the applicant's ability to meet the requirements of the RFP. Fancy bindings, colored displays, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content.

I-N Oral Presentation

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

I-O Prime Applicant Responsibilities

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

I-P Grant Payment Schedule

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

Payment requests will be made on a bimonthly basis in accompaniment with progress reports. Progress payments up to a total of 80% of the grant amount may be made upon submission of a Grantee request indicating grant funds received to date and project expenditures to date. The expenditure of State funds shall be reported by line item and compared to the approved budget. All invoices or other documentation sufficient to reflect properly all costs claimed to have been incurred in performing the grant must be submitted with each request for reimbursement. Payment of the final 20% of the grant amount shall be made only after the Project Manager has received and approved the final report.

I-Q News Releases

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

I-R Disclosure of Proposal Contents

The information in all proposals and any Grant resulting from this 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 material developed as a result of this project. The selected applicants shall further agree not to copyright any material developed as a result of this project.

I-T Selected Applicant's Liability

The selected applicant(s) or any subgrantees or subcontractors of the selected applicant(s) will provide and maintain public liability, property damage, and worker's compensation insurance insuring, as they may appear, the interests of all parties to any agreement that results from this RFP against any and all claims which may arise out of the applicant's or subcontractor's operation under the terms of the resulting agreement. The selected applicant is responsible for insuring that all precautions are exercised at all

times for the protection of all persons and property. The selected applicant or any subgrantee or subcontractor of the selected applicant shall secure all necessary certificates and permits from municipal or other public authorities and comply with all national, State, and municipal laws, ordinances and regulations as may be required.

I-U Indemnification

1. General Indemnification

The selected applicant(s) shall indemnify and hold harmless the State of Michigan and its agents and employees from and against all claims, damages, losses and expenses including attorney's fees arising out of or resulting from the performance of the work, which includes all labor, material and equipment required to produce the service required by the grant, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting there from, and (2) is caused in whole or in part by any negligent act or omission of the selected applicant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

2. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan or any of its agents or employees by any employee of the selected applicant(s), any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this grant shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the selected applicant or any subcontractor under worker's disability compensation acts, disability benefit acts or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

The obligations of the selected applicant(s) under this grant shall not extend to the liability of the State of Michigan, its agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the State of Michigan, its agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

3. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early cancellation of the Grant, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

I-V Cancellation

The State may cancel the Grant for any of the following reasons:

1. Default of the grantee. Default is defined as the failure of the grantee to fulfill the obligations of the grant. In case of default by the grantee, the State may immediately and/or upon 30 days prior written notice to the grantee cancel the grant without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the grantee responsible for any excess costs occasioned thereby.
2. Lack of Further Need for the Project. In the event the State no longer desires the project due to program changes, changes in laws, rules or regulations, and/or relocation of offices, the State may cancel the grant without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the grantee written notice of such cancellation 30 days prior to the date of cancellation.
3. Lack of Funding. The grantee acknowledges that, if this grant extends for several fiscal years, continuation of this grant is subject to appropriation of funds for this project. If funds to enable the State to effect continued payment under this grant are not appropriated or otherwise made available, the State shall have the right to terminate this grant without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the grantee. The State shall give the grantee written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.
4. Criminal Offense Incident. The State may immediately cancel the grant without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if the grantee, an officer of the grantee, or an owner of a 25% or greater share of the grantee, is convicted of a criminal offense incident to the application for or performance of a State, public or private grant, contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; conviction under State or federal antitrust statutes; or conviction of any other criminal offense which in the sole discretion of the State, reflects on the grantee's business integrity.

The State reserves the right to seek reimbursement for funds that were not expended for purposes specified in the proposal and subsequent grant agreement.

I-W Civil Rights Requirements

1. Grant award and continuation is contingent upon the applicant's compliance with all applicable civil rights statutes and regulations.
2. A selected applicant's equal opportunity standard is expected to provide a

reasonable representation of minority group individuals and women at all levels of the work force an equal opportunity to participate in and enjoy the benefits of all programs and activities without regard to race, color, religion, national origin, age or sex.

3. A selected applicant will comply with the Michigan Handicapper's Civil Rights Act, the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. These acts prohibit discrimination against otherwise qualified handicapped individuals solely by reason of their handicap.

I-X Certification Regarding Lobbying

The selected applicant shall certify, to the best of his or her knowledge and belief, that the funds provided in this grant have not been paid nor will be paid, by or on behalf of the selected applicant, to any person for influencing or attempting to influence an officer or employee of any agency of the State of Michigan or the Federal government.

PART II

WORK STATEMENT

II-A Purpose

The purpose of this project is to develop or improve the quality or application of energy efficient technologies and to create or expand the market for such technologies. Preference will be given to those projects that have a positive impact on the energy efficiency and economy of Michigan. The intent of the Grant or Grants awarded from the Fund is to benefit Michigan residents, businesses, institutions, and/or government agencies through the development and marketing of advanced energy efficient technologies.

II-B Problem Statement

The nation's increasing demand for energy necessitates a reliance on foreign oil and other non-renewable energy resources. This reliance has the potential to jeopardize our physical and economic security as well as to damage our environment. Michigan is positioning itself as a leader in the research, development, and application of energy efficiency products and alternative energy resources – initiatives that will not only improve the efficient use of energy resources, but also strengthen the economy of the state and opportunities for those who live and work in Michigan. In a tight economy, funding to pursue innovative initiatives can be difficult to obtain, especially when those initiatives are in the early stages of development.

II-C Objectives

Research, develop, and demonstrate emerging energy efficient technologies, improve the production, quality, and application of existing energy efficient technologies, and expand markets for these products.

II-D Tasks

1. Develop a clear, concise work plan to carry out the activities and achieve the objectives detailed in the applicant's proposal and any subsequent grant agreement.
2. Coordinate to every extent possible with other organizations involved in similar initiatives to expand the potential for the completion of a successful project.
3. Seek alternate funding for the project reducing reliance on Grant funds.
4. Document project activities, accomplishments, and financial expenditures and provide periodic progress reports and a final report in accordance with the requirements in the grant agreement.

5. Evaluate the project.
6. Participate with the Issuing Office in publicizing the results of the project as requested by the Project Manager.

PART III

PROJECT CONTROL AND REPORTS

III-A Project Control

1. The selected applicant(s) will carry out the project under review of the State Project Manager. The Michigan Department of Consumer and Industry Services grant administrator shall have final authority over the agency/grantee agreement.
2. Along with continuous liaison with the selected applicants, the State project manager will meet as needed with the selected applicant's project manager for the purpose of reviewing progress and providing necessary guidance to the selected applicant in solving problems that arise.

III-B Reports

1. The selected applicant(s) will provide the State project manager with bimonthly reports unless otherwise negotiated, as described in the grant agreement. At a minimum, unless otherwise negotiated, the reports will outline the work accomplished during the reporting period including the achievement and activities during the reporting period, work to be accomplished during the next reporting period, real or anticipated problems that should be brought to the attention of the State Project Manager, noteworthy accomplishments, and notification of any significant deviation from previously agreed-upon work plans.
2. A final report as described in the grant agreement must be submitted to the State project manager within 60 days following the grant period expiration. At a minimum, unless otherwise negotiated, the final report will contain:
 - a. A description of the project implementation plan and any deviations from the original project as proposed.
 - b. Accomplishments and problems experienced while carrying out the project activities.
 - c. Coordinated efforts with other organizations to complete the project.
 - d. Impacts, both anticipated and unanticipated, experienced as a result of the project implementation.
 - e. Financial expenditures of grant money and other contributions to the project, in-kind or direct funding.
 - f. Any experience in applying the project products and anticipated "next steps".

Grantees shall also maintain records of expenditures and submit financial reports to the Commission as required in this RFP or as negotiated. All grantees are subject to audit by the Commission Staff or other auditor designated by the Commission. Grantees who receive \$100,000 or more in any 12-month period will be required to submit an audited financial report for the grant period.

PART IV
INFORMATION REQUIRED FROM APPLICANTS

Grant proposals must be limited to no more than thirty (30) pages, double-spaced with a 12-point font. Grant proposals must be submitted in the format outlined below:

IV-A Identification of Organization

State the full name and address of the organization and, if applicable, other subordinate element(s) that will perform, or assist in performing, the work hereunder. Include the organization's federal identification number.

IV-B Authorized Negotiators

Include the names and phone numbers of personnel authorized to negotiate the proposed grant agreement with the State.

IV-C Statement of the Problem

State in succinct terms the applicant's understanding of the problem presented by this RFP.

IV-D Management Summary

Provide a clear and concise description of:

- The organization's existing activities and involvement related to this project. Include current active partners in the project and the role these partners are playing and current sources of funding and the level of funding each source provides.
- How the proposed project will be managed and how activities will be coordinated with other individuals and organizations.
- How the project will improve the energy efficiency and economy of Michigan. Include a description of the analysis used to determine the impact. When discussing the economic impact, include any economic impacts beyond those achieved just through energy savings.

IV-E Work Plan

Describe in narrative form the plan for accomplishing the work. Include a discussion of the proposed timeline to complete the work, quality assurance measures, and the evaluation process.

IV-F Prior Experience

Provide a description of the organization's experience in conducting the type of work proposed prior to submission of this proposal, if any. Include a summary of any other involved organizations, funding sources, and accomplishments.

IV-G Personnel

Applicants must be able to staff a project team that clearly possesses talent and experience in carrying out the type of project proposed. Identify key personnel by name, title, and role or responsibility in the project and provide a resume for each. If other organizations will be playing a role in the project, provide sufficient background information on them to give the Issuing Office a reasonable understanding of their qualifications.

IV-H Time Frame

To assist in preparation of the proposal, the State contemplates the project will start during the summer of 2002 and be completed by September 30, 2002.

IV-I Budget Considerations

Applicants must submit a proposed budget for this project, including other funding or in-kind services that will contribute to the total funding amount necessary for the project. The grant will be paid out according to the grant payment schedule in I-P and/or any approved amendment to the budget. The following budget information must be provided for expenditures to be covered by the grant:

- Personnel – number of people and positions including direct salaries, indication of costs that are included, and number of hours committed to project;
- Supplies, materials and equipment for the project;
- Other expenditures to be covered by the grant (please specify);
- Indirect Costs (please specify); and
- Total amount requested from the Grant

Include any appropriate narrative explanations and sufficient detail to allow the Issuing Office to review and evaluate the proposed budget.

IV-J Additional Information and Comments

Include any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.

PART V

SELECTION CRITERIA

All proposals received shall be subject to an evaluation by the Issuing Office. This evaluation will be conducted in a manner appropriate to select an organization or organizations for the purpose of entering into a grant to perform this project.

All proposals will receive an initial screening to insure that the eligibility criteria are met. Any proposals not responding to the purpose of the grant described in I-A and/or not meeting the Eligibility Requirements described in I-B will be rejected automatically. Proposals meeting the Eligibility Requirements will be evaluated according to the Selection Criteria below. Applicants may be asked to make oral presentations before a final decision is made. Total points represents 100.

- A. Experience of Organization and Project Team (10 points total)
 - 1. Length of time Project Team has been involved with project (5 points)
 - 2. Coordination with other organizations (5 points)

- B. Proposed project (40 points total)
 - 1. Potential project will produce anticipated results (10 points)
 - 2. Potential for project to have a significant impact on Michigan's economy (15 points)
 - 3. Potential for project to have positive impact on Michigan's energy efficiency (15 points)

- C. Management Summary (15 points total)
 - 1. Qualified management team (8 points)
 - 2. Effective quality assurance measures (7 points)

- D. Work Plan (20 points)
 - 1. Timeline is reasonable (7 points)
 - 2. Quality of plan to develop and implement the project. (13 points)

- E. Budget (15 points)
 - 1. Are budget line items reasonable? (7 points)
 - 2. Ability to minimize administrative and overhead costs (3 points)
 - 3. Ability to leverage additional funds (5 points)