

**Request for Proposals (RFP)**  
**City of Bainbridge Island**  
**Energy Revolving Loan Fund/Loan Loss Reserve Administration**  
for

**Energy Efficiency and Conservation Block Grant (EECBG) - Smaller Cities & Counties Program**  
**American Recovery and Reinvestment Act of 2009**

**I. General Information**

The City of Bainbridge Island is soliciting proposals from qualified financial institutions to develop, administer, and promote an energy revolving loan program that will provide low-interest rate loans to residential home owners and commercial businesses in Bainbridge Island, Washington. The City of Bainbridge Island is looking at using \$100,000 for a loan loss reserve to support a revolving loan fund for purchase and installation of energy efficiency and renewable energy measures for Bainbridge Island residential and commercial buildings.

The City seeks the submission of proposals from qualified professional service providers that may form the basis for negotiation of a professional service contract. Specific terms and requirements in this RFP may be waived or modified by the City of Bainbridge Island as it deems necessary or appropriate. The City has no liability for any costs incurred by a prospective provider for the preparation and production of a proposal or for any work performed prior to the issuance of a contract. Minority and women-owned businesses are encouraged to apply.

**II. Project Description**

The American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. 111-5, appropriated funding for the U.S. Department of Energy (DOE) to award funds under the Energy Efficiency and Conservation Block Grant Program (EECBG). Through the EECBG, the City of Bainbridge Island was awarded funding.

Projects under this RFP will be funded, in whole or in part, with funds appropriate by the ARRA for the EECBG. The goals established for the EECBG are to increase energy efficiency, preserve and create jobs and promote economic recovery. DOE is encouraging cities and states to use their ARRA funding not only to support current energy efficiency and renewable energy projects, but also to establish sustainable programs and put in place long-term funding mechanisms such as revolving loan funds that will provide lasting benefits and lead to long-term market transformation.

The City is seeking proposals from qualified applicants to develop, administer and promote a new Bainbridge Island Energy Efficiency Fund (EEF). The EEF will stimulate the creation and retention of jobs, as well as improve energy efficiency, and increase the generation of renewable energy by providing low interest rate loans for the installation of renewable energy systems and the implementation of energy efficiency measures for existing commercial businesses and residences. It will provide access to low cost capital for borrowers who might not have other resources. The target audience for the loan is low to moderate income homeowners and small business owners who have been challenged in this economic time to afford implementation of cost-saving but sometimes costly energy efficiency measures.

The Fund will extend the scope of federal recovery funds and ensure that these funds continue to support the City's commitment to energy efficiency and renewable energy well into the future by providing an ongoing source of revenue to implement energy efficiency measures and continue to expand the use of renewable energy in the City. Further, establishing and administering this revolving loan demonstrates commitment by the financial institution to meeting the Community Reinvestment Act, (12 U.S.C. 2901), implemented by Regulations 12 CFR parts 25, 228, 345, and 563e.

All funds received through the Energy Efficiency and Conservation Block Grant and deposited in the must be expended by February 1, 2012. Funds are considered expended for purposes of complying with this deadline when they have been loaned for the first time to a specific borrower.

Allowable expenditures for loan funds will include equipment, equipment installation, labor costs for renewable energy systems and energy-efficient fixtures, and retrofits installed on property owned by the loan applicant. Eligible renewable energy systems may employ solar, biomass, biofuels, geothermal, micro-hydroelectric, and/or fuel cell technologies. Eligible energy efficient fixtures and retrofits may include, but will not be limited to, mechanical systems and components including HVAC and hot water, electrical systems and components including lighting and energy management systems, doors and windows, insulation, refrigeration, and combined heat and power. Funds recaptured through loan payments must be used for the same purpose (energy efficiency retrofits and renewable energy systems) unless an amendment is approved by the Department and DOE redirecting its use.

Energy efficiency projects financed from the Fund and undertaken as part of the renovation of an existing building, building components or systems, must meet or exceed the minimum energy code requirements of the 2006 IECC, or as amended.

#### Key Tasks

- A. The Contractor will assist the City in developing specific goals and objectives for the Bainbridge Island Energy Efficiency Loan Program in accordance with the ARRA and the EECBG.
- B. The Contractor will be responsible for the development of forms for use in the loan application process, loan disbursement and reporting, and will work with the City to develop the loan application and define a matrix for project selection. The Contractor will track and monitor progress toward program goals, offer assistance to borrowers, and be responsible for communicating the success of the program. Projects will be evaluated based, in part, on potential for job creation/retention, energy savings, renewable energy generation capacity, emissions reductions, cost savings, and sustainability.
- C. The Contractor shall propose a cost or fee structure for program administration costs that will allow the Fund's capital base to remain intact. Administrative costs should be reasonable to perform the necessary tasks, but should be kept low in order to maximize the benefits of the program.
- D. The Contractor will verify that applicants and projects selected for loans comply with ARRA requirements

- E. The Contractor will obtain adequate and acceptable financial security from borrowers and protect the interests of the revolving loan fund. Appropriate credit underwriting procedures shall be developed and utilized to ensure the credit worthiness of loan applicants. All loans will be properly secured and will require an irrevocable letter of credit.
- F. The Contractor will be expected to aggressively market the Energy Revolving Loan Program to Bainbridge Island residents and businesses and should develop a plan to effectively reach the target audience of low to moderate income homeowners and small business owners. Promotional activities shall be coordinated with the City.
- a. The Contractor will be expected to include the City of Bainbridge Island name, along with their own name and brand in all communications related to the revolving loan program. The relationship between the Contractor and the City will be expressed as a partnership.
  - b. Add federal funding acknowledgement & disclaimer language as a requirement for any publications, if this is required for the EECBG Smaller Cities & Counties Program.
- G. The Contractor will be required to carry errors and omissions insurance covering negligent acts or omissions that will cover the Contractor's actions under the contract with the City.
- H. The Contractor shall comply with the requirements of all applicable Federal, State and local laws, codes, regulations, DOE policy and guidance, and instructions in this RFP, unless relief has been granted by the DOE and the City. The Contractor shall ensure flow down of the requirements of applicable Federal, State, and local laws, regulations, DOE policy, and guidance and instructions in this RFP to sub-recipients at any tier to the extent necessary to ensure the Contractor's compliance with the requirements.

### **III. REPORTING REQUIREMENTS**

Ongoing monitoring and monthly reporting will be a requirement of the project. Along with a narrative discussion of monthly program activities, the Contractor shall measure, verify and report:

- Number of loan applications received
- Number and dollar amount of loans provided
- Summary of upgrades/construction loan funds will be used for
- Loan and interest payments received
- Administrative costs incurred

In addition, the Contractor shall ensure that the following reporting requirements are met by borrowers:

- In the period between project approval and project construction completion, the borrower (or their contractor) shall complete and provide to the Contractor a report at the beginning of each month.
- The report shall include information on the progress in completing the energy project, its most-current estimate for time of project completion, what proportion of the loan award has been disbursed in the quarter and total to date, and any notable problems or changes in the project since approval such as construction delays or cost overruns.

If a borrower fails to submit the monthly reports described above, the Contractor may freeze the remainder of the loan award escrow account.

#### **IV. SITE VISITS**

City of Bainbridge Island authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Contractor must provide, and must require loan applicants to provide, access to facilities with reasonable notice. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

#### **V. Submittal Requirements**

Each proposal submitted must contain one (1) original and three (3) copies of the following documents:

##### **A. Letter of Transmittal**

The letter of transmittal must include the following:

1. A brief statement of the work to be performed.
2. The total cost to administer the program.
3. A statement assuring that the person signing the letter is authorized to bind the offer presented in the letter and accompanying proposal.

##### **B. Cover Page**

Name of Offeror's organization, local address, telephone number, email address, name of contact person(s), and date submitted.

##### **C. Proposal Narrative**

The proposal narrative should outline a solid strategy for development of the Energy Efficiency Fund. Include a detailed statement of the methodology to be utilized to carry out each task and address each of the following elements:

- Describe experience in the implementation of residential and commercial loan financing programs.
- Discuss details for each step of the loan process including the loan application, the application review, loan closing procedures, project construction and completion, loan repayment, and tracking and monitoring of loans.
- Discuss plans to coordinate with the City throughout the development implementation, and maintenance of the EEF program.
- It is suggested that a loan review committee be established to develop a loan application. Discuss the proposed make-up and functioning of this committee.
- Discuss proposed criteria for screening and ranking loan applications in order to maintain the financial security of the program and to accomplish the objectives of the ARRA-State Energy Program Energy Efficiency and Conservation Block Grant Program by maximizing benefits in terms of jobs created/retained, energy saved, renewable energy generated, and GHG emissions reduced.

- Outline proposed methods for data collection and monthly reporting of program metrics as specified in Section III, Reporting Requirements.
- Provide suggestions for covering program administration costs through interest and fees and/or securing additional funding sources so that the fund's capital base remains intact. Proposed startup costs and projected annual management costs shall be broken out and identified separately.
- Describe plan for marketing the loan program and proposed methods for reaching the target audience of low to moderate income homeowners and small business owners to ensure that eligible loan candidates submit applications for appropriate projects.

**D. Tasks Statement and Timeline**

Outline major tasks and services to be provided. Include a timeline for task completion.

**E. Project Budget**

The Project Budget should outline the expenditures for the project and should include a reasonable fee for the administration of the EEF. Any additional funds and/or in-kind services provided to the Energy Revolving Loan Program by the proposing organization or others should be shown in column two as leveraged funds. Proposal preparation costs are not reimbursable.

**F. Qualifications**

Provide acceptable evidence of the organization, experience, qualifications, skills, and capabilities of the Offeror to perform the services requested in this RFP. The following information should be included:

1. Describe the organization and services provided
2. Provide brief resumes and statements of qualifications for key staff assigned to this project. Identify the role of each in regard to the EEF program. Include contact information for the individual who will serve as the program manager.
3. Describe the experience of the organization and personnel, especially in regard to the implementation of loan programs, energy related programs, and/or federal or state grant programs.
4. Describe contractual work that will be needed and qualification requirements for subcontractors. Persons who are not full time employees of the proposer shall be considered subcontractors.

**G. Financial Capability**

**VI. Submittal Process**

Quantities: Four copies  
 Due Date: May 21, 2010  
 Time: 4:00 p.m.  
 Mail to: Kelly Dickson, Special Projects Planner  
 Department of Planning and Community Development  
 City of Bainbridge Island  
 280 Madison Ave

Bainbridge Island, WA 98110

Email to: [kdickson@ci.bainbridge-isl.wa.us](mailto:kdickson@ci.bainbridge-isl.wa.us)

Note: Dates are preliminary and subject to change.

## VII. Selection Process

A two-step process will be used to select the successful consultant. The City will select consultants to interview based on the quality and experience presented in the proposals. During the interview of the short-listed applicants, the consultants will be evaluated on the quality and experience presented in the proposal and the ability to coordinate and complete the project.

Upon review and evaluation of all proposals, the Department will make a recommendation to the Director, who will select the Offeror determined to best meet the needs of the Department. Upon selection of the Contractor, the Department may initiate negotiations for contract terms and conditions, including fees.

Selection will be based upon the following criteria:

EEF development strategy, description of proposed loan application process and procedure for screening applicants	50
Qualifications and experience of organization and key personnel	35
Method for accomplishing objectives of ARRA- EECBG program by maximizing benefits in terms of jobs created/retained, energy saved, renewable energy generated and GHG emissions reduced	25
Proposed methods for data collection and monthly reporting of program metrics	25
Proposed plan to disburse loan funds in a timely manner. Detailed description of deliverables and timelines for task completion	25
Marketing Plan	20
Compliance with solicitation requirements	10
Total Possible Points	190

## VIII. Terms and Conditions

- A. The City reserves the right to reject any and all submittals, to waive minor irregularities in any submittal, to issue additional RFP's, and to either substantially modify or terminate the Project at any time prior to final execution of a contract.
- B. The City shall not be responsible for any costs incurred by the respondent(s) in preparing, submitting, or presenting its response to the RFP or to the interview process.
- C. Nothing contained herein shall require the City to enter into exclusive negotiations and the City reserves the right to amend, alter and revise its own criteria in the selection of a respondent without notice.

- D. The City reserves the right to request clarification of information submitted and to request additional information from a respondent.
- E. The City will not accept submittals after the time and date specified on the RFP.
- F. The qualifications of each member of the team are important criteria in the selection process. The selected consultants will not be allowed to substitute any members without prior approval by the City. The City, at its sole discretion, reserves the right to accept or reject proposed changes to the team. Team members may participate in multiple team submittals.

The City encourages submittals from firms that demonstrate a commitment to equal employment opportunity. Minority and women owned businesses are encouraged to apply.

## **IX. PROPRIETARY INFORMATION**

- A. The information contained in the proposals will be public information unless a specific request is made to keep specific information confidential. If a proposal contains any information that the Offeror does not wish to have disclosed to the public or used by the City for any purpose other than evaluation of the offer, each sheet of such information must be clearly marked “proprietary.” This information will be kept confidential, subject to applicable state and federal laws. Each page should be clearly identified included each line or paragraph thereof containing the data to be protected and the cover sheet of the proposal should be marked with the following Notice as well as referring to the Notice on each page to which the Notice applies.
- B. Notice of Restriction on Disclosure and Use of Data  
The data contained in pages – of this proposal have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes, provided that if this Offeror receives an award as a result of or in connection with the submission of this proposal, the City of Bainbridge island and the State of Washington Department of Commerce shall have the right to use or disclose the data here to the extent provided in the award. This restriction does not limit the Government’s right to use or disclose data obtained without restriction from any source, including the applicant.
- C. Proposals and supporting materials submitted shall become the property of City of Bainbridge Island.

## **X. ATTACHMENTS**

**Attachment A** – Prohibited Expenditures

**Attachment B** – Special Terms and Conditions

**Attachment C** – Definitions

## ATTACHMENT A

### PROBITED EXPENDITURES

Be advised that SEP regulation 10 CFR Part 420 does not allow expenditures or matching funds for the following:

- For construction, such as construction of mass transit systems and exclusive bus lanes, or for construction or repair of buildings or structures;
- To purchase land, a building or structure or any interest therein;
- To subsidize fares for public transportation;
- To subsidize utility rate demonstrations or state tax credits for energy conservation or renewable energy measures; or
- To conduct or purchase equipment to conduct research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.

The following costs are not eligible for financing from the Fund:

- The costs of a construction or renovation project that are not directly related to energy efficiency measures.
- Costs incurred for the acquisition of financing for the project
- Costs for equipment or systems that reduce energy costs without also resulting in reductions in the use of energy
- Costs incurred relating to techniques or technologies that are not determined to be commercially available.
- In cases for which the applicant receives a financial incentive or rebate from a utility or other third party for undertaking some or all of the measures in an energy efficiency project such incentives or rebates are to be deducted from the costs that are eligible for financing from the Fund. No loans made from the Fund may exceed the final cost incurred for the project.



## **ATTACHMENT B**

### **SPECIAL TERMS AND CONDITIONS**

Be advised that special terms and conditions will apply to projects funded by ARRA relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character (Davis-Bacon and related Acts);
- Ensuring that equipment and products purchased, to the greatest extent practicable, be American-made (Buy-American);
- Ensuring compliance with the National Historic Preservation Act (NHPA);
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration

## ATTACHMENT C

### DEFINITIONS

- A. “Commercially available” shall refer to techniques or technologies that are proven and readily available and have demonstrated their worthiness for funding. Commercially available does not mean that further research and development is needed. Commercial technology is defined as a technology in general use in the commercial marketplace in the United States. Technology is in general use if it has been used in three or more commercial projects in the United States in the same general application as in the proposed project and has been in operation in each such commercial project for a period of at least five years.
- B. “Contract” shall refer to the RFP, the Response, Contract document, all schedules and exhibits, all statements of work and all amendments awarded pursuant to this RFP.
- C. “Contractor” shall refer to the successful Offeror to whom a contract will be awarded, to provide the services described herein.
- D. “City” shall refer to the City of Bainbridge Island.
- E. “Director” shall refer to the Director of Planning and Community Development.
- F. “Fund” and/or “EEF” shall refer to the City of Bainbridge Island Energy Efficiency Fund.
- G. “Offeror” shall refer to the written proposal submitted by the Offeror to the City in accordance with this RFP. The Response shall include all written material submitted by the Offeror as of the date set forth in the RFP schedule or as further requested by the Department.
- H. “RFP” shall refer to this Request for Proposals.