

**STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
OLYMPIA, WASHINGTON**

**REQUEST FOR QUALIFICATIONS
RFQ NO. 14-66155-00**

If you download this RFQ from the COMMERCE website located at <http://commerce.com.wa.lcl/about/Pages/Bids-and-Contracts.aspx>, you are responsible for sending your name, address, e-mail address and telephone number to the RFQ Coordinator in order for your organization to receive any RFQ amendments or bidder questions/COMMERCE answers.

PROJECT TITLE: Energy Revolving Loan Fund DRAFT (posted 8-26-13)

PROPOSAL DUE DATE: DRAFT comments and questions due 9-6-13

EXPECTED TIME PERIOD FOR CONTRACT: December 2013 through December 2023

LENDER ELIGIBILITY: This procurement is open to those non-profit lenders that satisfy the minimum qualifications stated herein and that are available for work in Washington State.

CONTENTS OF THE REQUEST FOR QUALIFICATIONS AND QUOTATIONS:

- 1. Introduction**
- 2. General Information for Lenders**
- 3. Proposal Contents**
- 4. Evaluation and Award**
- 5. Exhibits**
 - A. Certifications and Assurances**

Table of Contents

| | | |
|----------|--|-----------|
| 1 | Introduction..... | 3 |
| 1.1 | Purpose and Background..... | 3 |
| 1.2 | Objective..... | 3 |
| 1.3 | Minimum Qualifications..... | 4 |
| 1.4 | Funding..... | 4 |
| 1.5 | Period of Performance..... | 5 |
| 1.6 | Definitions..... | 5 |
| 1.7 | Ada..... | 5 |
| 2 | General Information for Lenders..... | 5 |
| 2.1 | Rfq Coordinator..... | 5 |
| 2.2 | Estimated Schedule of Procurement Activities..... | 6 |
| 2.3 | Preproposal Conference..... | 7 |
| 2.4 | Submission of Proposals..... | 7 |
| 2.5 | Proprietary Information/Public Disclosure..... | 7 |
| 2.6 | Revisions to the Rfq..... | 8 |
| 2.7 | Minority & Women-Owned Business Participation..... | 8 |
| 2.8 | Acceptance Period..... | 8 |
| 2.9 | Responsiveness..... | 8 |
| 2.10 | Most Favorable Terms..... | 9 |
| 2.11 | Contract and General Terms & Conditions..... | 9 |
| 2.12 | Costs to Propose..... | 10 |
| 2.13 | No Obligation to Contract..... | 10 |
| 2.14 | Rejection of Proposals..... | 10 |
| 2.15 | Commitment of Funds..... | 10 |
| 2.16 | Insurance Coverage..... | 10 |
| 3 | Proposal Contents..... | 12 |
| 3.1 | Letter of Submittal (Mandatory)..... | 12 |
| 3.2 | Qualifications Section..... | 12 |
| 3.2.1 | Business Information (Mandatory)..... | 12 |
| 3.2.2 | Authority (Mandatory)..... | 13 |
| 3.2.3 | Qualifications (Scored)..... | 14 |
| | !Unexpected End of Formula | |
| 4 | Evaluation and Contract Award..... | 17 |
| 4.1 | Evaluation Procedure..... | 17 |
| 4.2 | Clarification of Proposal..... | 17 |
| 4.3 | Evaluation Weighting and Scoring..... | 17 |

4.4 Oral Presentations May Be Required.....17
4.5 Notification to Proposers.....17
4.6 Debriefing of Unsuccessful Proposers18
4.7 Protest Procedure.....18
5 Rfq Exhibits.....20
Exhibit A Certifications and Assurances
Exhibit B Audit Proviso 1074

1 INTRODUCTION

1.1 PURPOSE AND BACKGROUND

The Washington Legislature allocated \$40 million to the Department of Commerce in the 2013-14 capital budgets to develop, demonstrate, and deploy clean energy technologies. Of that total, \$15 million dollars were provided to create a revolving loan fund to support the widespread use of proven building energy efficiency and renewable energy technologies now inhibited by lack of access to capital. Eligible Awardee type and designated use of awarded funds is stipulated in Exhibit B.

Commerce intends to meet the legislative requirements by modeling the management of the revolving loan fund after the State Small Business Credit initiative. Commerce is requesting qualifications from eligible non-profit lenders who have a track record of providing credit for energy efficiency and/or renewable power. Commerce will select one or more lenders that meet the selection criteria to operate the program.

Fund goals include the following:

- Support jobs and economic development in the state
- Timely deployment of capital
- Sustained operation of the revolving loan fund
- Increase access to capital for proven building energy efficiency and renewable technologies
- Growth of the market for energy efficiency and small scale renewables
- The fund will support the widespread use of proven building energy efficiency and renewable energy technologies now inhibited by lack of access to capital.

1.2 OBJECTIVE

Commerce will make a capital grant (per Exhibit B) to the lender that will be matched one to one at the time of the grant. Commerce will flow funds to the non-profit lenders in tranches based on loan production. For example, if one lender was granted \$9 million, Commerce would structure at least three tranches of \$3 million. The non-profit lender would have to match at least \$3 million in available loan funds at the time the first \$3 million flowed from Commerce. The funding of subsequent tranches would depend on loan volume.

This process will allow Commerce to receive, evaluate and score award applicants qualifications to receive an award to manage and run a revolving energy loan fund on behalf of Commerce and the state of Washington.

Please note that awarded program monies can only be loaned out to businesses qualified by the contracted lender and will NOT be allowed to finance administrative or support costs of the Awardee in their efforts to manage the program.

The revolving loan fund will identify qualified contractors to administer the fund using a Request for Qualifications (RFQ) process. Highest scoring candidates may be asked to participate in an oral interview process. Once Awardees are selected and

announced Commerce will work with Awardees to discuss specific details of their respective program proposals and develop a contract.

COMMERCE may award one or more contracts to non-profit lenders who submit proposals as a result of this RFQ.

1.3 MINIMUM QUALIFICATIONS

Qualifying entities must be non-profit lenders including:

- Community Development Financial Institutions (Certified by CDFI Fund, US Treasury Dept.)
- Credit Unions
- State conduit financing entities like the Housing Finance Commission
- Other Non-Profits

Non-profit lenders who apply for grants to establish a revolving fund will be responsible for addressing each of the following program requirements:

- An ability to provide at least one to one dollar match with program funds upon execution of the contract.
- Experience originating loans for energy efficiency in buildings and/or renewable energy
- Organizational capacity to attract matching capital, generate deal flow, underwrite loans, manage a loan portfolio, and meet requirements for reporting and compliance
- The Lender must be licensed to do business in the state of Washington and have at least 5 years of experience in *clean energy sector lending*.
- Bidders must show a credible path to achieving 5 to 1 leverage within 7 years.
- Loan funds must be used for projects that develop and acquire assets that have a useful life of at least thirteen years.
- Lenders will commit to reporting on a quarterly and annual basis including jobs created or maintained and number of job hours related to funded projects.
- “State funds must not exceed fifty percent of the estimated cost of a project”

Any proposal that is rejected as non-responsive will not be evaluated or scored.

1.4 FUNDING

The overall budget for this project shall not exceed **\$15,000,000.00**

Any contract(s) awarded as a result of this procurement is contingent upon the availability of funding.

The fund will support the widespread use of proven building energy efficiency and renewable energy technologies now inhibited by lack of access to capital.

1.5 PERIOD OF PERFORMANCE

The period of performance of any contract(s) resulting from this RFQ will begin on the date the contract is signed with Commerce and extend for 10 years from that date.

1.6 DEFINITIONS

Definitions for the purposes of this RFQ include:

COMMERCE The Department of Commerce is the agency of the state of Washington that is issuing this RFQ.

Contractor Individual or company whose proposal has been accepted by COMMERCE and is awarded a fully executed, written contract.

Lender/Awardee A company that is eligible to receive a grant in response to this solicitation and submits a timely and complete proposal in response to this solicitation.

Proposal A formal offer submitted in response to this solicitation.

Request for Qualifications and Quotations (RFQ). Formal procurement document in which services needed are identified and firms are invited to provide their qualifications to provide the services and their hourly rates.

1.7 ADA

COMMERCE complies with the Americans with Disabilities Act (ADA). Lenders may contact the RFQ Coordinator to receive this Request for Qualifications and Quotations in Braille or on tape.

1.8 Program Requirements

This section outlines program requirements that Lenders must meet throughout the fund management:

- “Funding preference must be provided to projects that offer a higher percentage on nonstate match “Funding preference must be provided to projects that offer a higher percentage on nonstate match funds”
- “the criteria must include requiring evidence of support for the proposed project from the impacted community”
- “requiring evidence of... consistency with economic growth strategies and plans of the affected local governments.”

2 GENERAL INFORMATION FOR LENDERS

2.1 RFQ COORDINATOR

The RFQ Coordinator is the sole point of contact in COMMERCE for this procurement. All communication between the Lender and COMMERCE upon receipt of this RFQ shall be with the RFQ Coordinator, as follows:

| | |
|-----------------|---|
| Name | Jane Swanson |
| Mailing Address | 2001 6 th Ave. , Ste. 2600, Seattle WA 98121 |

| | |
|----------------|---|
| Street Address | |
| Phone Number | 206-256-6155 |
| RFQ Website | http://commerce.com.wa.lcl/Programs/Energy/Office/Pages/Clean-Energy-Funds.aspx |
| E-Mail Address | Jane.Swanson@commerce.wa.gov |

Any other communication will be considered unofficial and non-binding on COMMERCE. Lenders are to rely on written statements issued by the RFQ Coordinator. Communication directed to parties other than the RFQ Coordinator may result in disqualification of the Lender.

2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

| | |
|--|--------------------------|
| Issue Draft Request for Qualifications and Quotations | 8-26-13 |
| Question & answer period | 8-26-13 through 9-6-13 |
| Issue final RFQ | 9-11-13 |
| Proposals due | 9-20-13 |
| Conduct oral interviews with finalists, if required | |
| Advisory Committee to evaluate applications and score making recommendations | 10-2-13 |
| Announce "Apparent Successful Lenders" and send notification via fax or e-mail to unsuccessful proposers | 10-4-13 |
| Advisory Committee makes recommendations on fund design | 10-8-13 |
| Hold debriefing conferences (if requested) | |
| Negotiate contract | 10-8-13 through 12-10-13 |
| File contract with OFM (if applicable) | 12-10-13 |
| Begin contract work | 12-15-13 |

COMMERCE reserves the right to revise the above schedule.

2.3 PREPROPOSAL CONFERENCE

Commerce conducted a public stakeholder meeting on **August 8, 2013** at 2p.m. local time in **Olympia**, Washington. Attendance was not mandatory. A replay of the presentations is available on the website listed in Section 2.1.

COMMERCE will be bound only to COMMERCE's written answers to questions. Questions arising at the pre-proposal conference or in subsequent communication with the RFQ Coordinator will be documented and answered in written form. A copy of the questions and answers will be sent to each prospective Lender that has received a copy of the RFQ or made the RFQ Coordinator aware of its interest in this procurement.

2.4 SUBMISSION OF PROPOSALS

(Two Submittal Options Available)

1. Lenders are required to submit four paper (4) copies of their proposal. Two of which must have original signatures and two copies may have photocopied signatures. The proposal, whether mailed or hand delivered, must arrive at COMMERCE no later than 4:00 p.m., local time, on *September 20, 2013*.
2. Proposals may be submitted electronically to the email address noted in Section 2.1. Lenders submitting electronically must also provide two hard copies with original signatures within three days after submission. . The electronic copy of the proposal must be submitted to COMMERCE no later than 4:00 p.m., Local time on September 20, 2013.

The proposal is to be sent to the RFQ Coordinator at the address noted in Section 2.1. The envelope should be clearly marked to the attention of the RFQ Coordinator.

Lenders mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFQ Coordinator. Lenders assume the risk for the method of delivery chosen. COMMERCE assumes no responsibility for delays caused by any delivery service. Proposals may not be transmitted using facsimile transmission.

Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of COMMERCE and will not be returned.

Submission of application shall indicate acknowledgement by applying organization that the proposed source of funds as outlined in Exhibit B are legally permissible for the development of an energy revolving loan fund.

2.5 PROPRIETARY INFORMATION/PUBLIC DISCLOSURE

Proposals submitted in response to this competitive procurement shall become the property of COMMERCE. All proposals received shall remain confidential until the contract, if any, resulting from this RFQ is signed by the Director of COMMERCE, or the Director's Designee, and the apparent successful Contractor; thereafter, the proposals shall be deemed public records as defined in Chapter 42.56 of the Revised Code of Washington (RCW).

Any information in the proposal that the Lender desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW must be clearly designated.

The information must be clearly identified and the particular exemption from disclosure upon which the Lender is making the claim must be cited. Each page containing the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information" printed on the lower right hand corner of the page. Marking the entire proposal exempt from disclosure will not be honored. If a public records request is made for the information that the Lender has marked as "Proprietary Information" COMMERCE will notify the Lender of the request and of the date that the records will be released to the requester unless the Lender obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, COMMERCE shall maintain the confidentiality of the Lender's information per the court order.

A charge will be made for copying and shipping, as outlined in Chapter 42.56 RCW. No fee shall be charged for inspection of contract files, but twenty-four (24) hours' notice to the RFQ Coordinator is required. All requests for information should be directed to the RFQ Coordinator.

2.6 REVISIONS TO THE RFQ

In the event it becomes necessary to revise any part of this RFQ, addenda will be posted on the website listed in Section 2.1.

COMMERCE also reserves the right to cancel or to reissue the RFQ in whole or in part, prior to execution of a contract.

2.7 MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and proposals will not be rejected or considered non-responsive on that basis.

The established annual procurement participation goal for MBE is 10% and for WBE, 4%, for this type of project. These goals are voluntary. Bidders may contact OMWBE at 360-753-9693 to obtain information on certified firms.

2.8 ACCEPTANCE PERIOD

Proposals must provide 60 days for acceptance by COMMERCE from the due date for receipt of proposals.

2.9 RESPONSIVENESS

All proposals will be reviewed by the RFQ Coordinator to determine compliance with administrative requirements and instructions specified in this RFQ. The Lender is specifically notified that failure to comply with any part of the RFQ may result in rejection of the proposal as non-responsive.

COMMERCE also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

2.10 MOST FAVORABLE TERMS

COMMERCE reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms which the Lender can propose. COMMERCE does reserve the right to contact a Lender for clarification of its proposal.

The Lender should be prepared to accept this RFQ for incorporation into a contract resulting from this RFQ. Contract negotiations may incorporate some or all of the Lenders' proposals. It is understood that the proposal will become a part of the official procurement file on this matter without obligation to COMMERCE.

2.11 CONTRACT AND GENERAL TERMS & CONDITIONS

2.11.1 The apparent successful contractor will be expected to enter into a contract. In no event is a Lender to submit its own standard contract terms and conditions in response to this solicitation. The Lender may submit exceptions as allowed in the Certifications and Assurances section, Exhibit A to this solicitation. COMMERCE will review requested exceptions and accept or reject the same at its sole discretion.

It is anticipated the first deliverable under the contract will be a scoping plan, which will define the specific services to be provided by the CONTRACTOR based upon agreement between COMMERCE and the CONTRACTOR.

2.11.2 Commerce's role will provide:

- a. compliance oversight of lender partner
- b. reporting assistance
- c. program monitoring
- d. provide final loan compliance approval for all participating loans to ensure they comply with program requirements
- e. develop program policies, procedures and performance standards

2.11.3 The applicants must identify one or more of the allowable uses identified below which they intend to market and loan to. The allowable use of funds for this program include but are not limited to the following energy efficiency and renewable energy project types:

- a. Residential energy retrofits
- b. Whole-house retrofits by homebuilders who purchase existing homes and then resell them
- c. Commercial energy retrofits
- d. Residential and community scale solar*
- e. Residential and community scale wind
- f. Anaerobic digesters to treat dairy and organic waste
- g. Combined heat and power projects using woody biomass as a fuel

*Per Exhibit B, projects seeking financing of solar installations under this section must agree in contract to not participate in the cost-recovery program under RCW 83.16.120.

2.12 COSTS TO PROPOSE

COMMERCE will not be liable for any costs incurred by the Lender in preparation of a proposal submitted in response to this RFQ, in conduct of a presentation, or any other activities related to responding to this RFQ.

2.13 NO OBLIGATION TO CONTRACT

This RFQ does not obligate the state of Washington or COMMERCE to contract for services specified herein.

2.14 REJECTION OF PROPOSALS

COMMERCE reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFQ.

2.15 COMMITMENT OF FUNDS

The Director of COMMERCE, or the Director's Designee, are the only individuals who may legally commit COMMERCE to the expenditures of funds for a contract resulting from this RFQ. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

2.16 INSURANCE COVERAGE

The Contractor is to furnish COMMERCE with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The Contractor shall, at Contractor's own expense, obtain and keep in force insurance coverage, which shall be maintained in full force and effect during the term of the contract. The Contractor shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to COMMERCE within fifteen (15) days of the contract effective date.

Liability Insurance

Commercial General Liability Insurance (CGL): Contractor shall maintain general liability insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the general aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL insurance shall be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insureds (cross liability) condition.

Additionally, the Contractor is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

Business Auto Policy: As applicable, the Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of "Any Auto."

Business auto coverage shall be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

Employers Liability (“Stop Gap”) Insurance

In addition, the Contractor shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Additional Provisions

Above insurance policy shall include the following provisions:

- **Additional Insured.** COMMERCE, it’s elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.
- **Cancellation.** COMMERCE shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The insurer shall give the state 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the state shall be given 10 days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): The state shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the state shall be given 10 days advance notice of cancellation.
- **Identification.** Policy must reference COMMERCE’s contract number and state name.
- **Insurance Carrier Rating.** All insurance and bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best’s Reports. Any exception shall be reviewed and approved by COMMERCE, the risk manager for the state of Washington, before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.
- **Excess Coverage.** By requiring insurance herein, the state does not represent that coverage and limits will be adequate to protect Contractor and such coverage and limits shall not limit Contractor’s liability under the indemnities and reimbursements granted to the state in this contract.

Workers’ Compensation Coverage

The Contractor will at all times comply with all applicable workers’ compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The state will not be held responsive in any way for claims filed by the Contractor or their employees for services performed under the terms of this contract.

3 PROPOSAL CONTENTS

Proposals must be submitted on eight and one-half by eleven inch (8 ½" x 11") paper with tabs separating the major sections of the proposal. The two major sections of the proposal are to be submitted in the order noted below:

- A. Letter of Submittal, including signed Certifications and Assurances (Exhibit A to this RFQ)
- B. Qualifications

Proposals must provide information in the same order as presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Lender in preparing a thorough response.

Items in this section marked "mandatory" must be included as part of the proposal for the proposal to be considered responsive, however, these items are not scored. Items marked "scored" are those that are awarded points as part of the evaluation conducted by the evaluation team.

3.1 LETTER OF SUBMITTAL (MANDATORY)

The Letter of Submittal and the attached Certifications and Assurances form (Exhibit A to this RFQ) must be signed and dated by a person authorized to legally bind the Lender to a contractual relationship, e.g., the president or executive director of a corporation, the managing partner of a partnership, or the proprietor of a sole proprietorship. Attach the Certifications and Assurances form to the Letter of Submittal.

3.2 QUALIFICATIONS SECTION

The services to be provided under this project are:

- Identifying prospective borrowers
- Providing client support, underwriting loans
- Conducting risk analysis
- Managing loan portfolios
- Meeting compliance requirements.

The qualifications section of the proposal must contain information that will demonstrate to the evaluation committee the Lender's understanding of the types of services proposed, the firm's ability to accomplish them, and the ability to meet tight timeframes.

The qualifications (Section 3.2.3) response is to be submitted in four sections as follows: 1) Business History and Service Experience, 2) Detailed Lending Experience, 3) Staffing, 4) Revolving Loan Fund Program Proposal, 5) Schedule, and 6) Reference. The optional seventh section would include proof of certification for minority and women-owned businesses participating on the project.

3.2.1 Business Information (Mandatory)

- A. State the following information:
 - Name of the Non-Profit

- Area of Expertise
 - Company's interest in RFQ
 - Number of Lenders and Underwriters
 - Number of employees
 - Physical office locations
 - Geographic area you currently serve
 - Open Office Hours
 - Phone number, fax number, website and e-mail address
 - Legal status of entity (ownership) and year entity was established as it now substantially exists
 - What is your company's current source(s) of lending capital?
- B. Provide the firm's Federal Employer Tax Identification number and the Washington Uniform Business Identification (UBI) number issued by the state of Washington Department of Revenue.
- C. Describe the general management structure. Name the firm's principals and their roles.
- D. Identify any state employees or former state employees employed by the Lender or on the Lender's governing board as of the date of the proposal. Include their position and responsibilities within the Lender's organization. If following a review of this information, it is determined by COMMERCE that a conflict of interest exists, the Lender may be disqualified from further consideration for the award of a contract.
- E. If the Lender's staff or subcontractor's staff was an employee of the state of Washington during the past 24 months, or is currently a Washington State employee, identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date.
- F. If the Lender has had a contract terminated for default in the last five years, describe such incident. Termination for default is defined as notice to stop performance due to the Lender's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Proposer was in default.
- G. Submit full details of the terms for default, including the other party's name, address, and phone number. Present the Lender's position on the matter. COMMERCE will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If no such termination for default has been experienced by the Lender in the past five years, so indicate.

3.2.2 Authority (Mandatory)

1. Include a certification that the Lender is a non-profit lender as that term is used in Sec. 1074 (Exhibit B).
2. Include a certification that:
 - a. The Lender acknowledges that the funds to be provided in this program are public funds subject to constitutional and statutory provisions that restrict the lending or gift of public funds; and
 - b. The Lender's proposed use of public funds will provide a benefit to the public through development, demonstration, and deployment of clean energy

technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state, as provided in subsection (1) of Sec. 1074 (Exhibit B).

3.2.3 Qualifications (Scored)

1. Business History and Service Experience

- A. Describe current loan approval processes.
- B. Company's "Mission Statement", and a short description of how this mission aligns with the proposed fund
- C. Most recent 3 years financial statements. If the statements are unaudited, please include the most recent 3 years federal income tax returns.
- D. Has your financial institution been subject to any findings, sanctions or restrictions by its regulatory body in the last three years? Please explain.
- E. Is your organization currently involved in any lawsuits If so please explain.
- F. Estimate firm's average loan size and the number of loans closed per year.
- G. Indicate firm's lending limit.
- H. What is the lowest loan amount your firm currently approves?
- I. Indicate the total current amount your firm has available to lend?
- J. Indicate the amount obligated in loans currently.
- K. Describe your standard due diligence when reviewing a loan request.
- L. Describe your standard follow-up and services offered to new loan clients.
- M. How often are financials collected and reviewed on a borrower after a loan is granted?
- N. Are you capable and willing to provide monthly reports on pipeline and closed loans to Commerce?
- O. Describe your current pipeline activities.
- P. Describe the proposed pipeline activities you will engage in to find qualified candidates for program funds.
- Q. Without this program could you continue to operate as you have in with satisfactory financial results?
- R. Have there been any significant changes to your source of operating income in the last five years? If so, please describe the changes and the impact on your business model.
- S. What is the proposed geographic area you will support with these funds?
- T. How is your loan pipeline currently generated? Relationships with relevant associations? Organization partnerships, etc...

2. Detailed Lending Experience

- A. How many years has your organization been marketing and closing loans?
- B. Please describe your past experience of:
 - Managing other loan or grant programs;
 - Working with federal or state money;
 - Federal or state program reporting process.
- C. Can you provide any references to similar business types you have successfully loaned to in the past?

- D. Are there any differences in your underwriting processes or underwriting criteria that diverge from industry norms?
- E. Do you maintain physical or electronic originals or both?
- F. What is the loan default rate per year for the last 5 years?
- G. How many loans did you close last year?
- H. How many loans have you closed to date this year?
- I. What is the current % of your portfolio that can be classified as energy efficiency or renewable energy?
 - What is the average loan size of these loans?
 - What is the total outstanding balance for these loans?

3. Staffing

- A. Provide a description of the proposed project team structure, number of employees allocated
- B. Internal controls to be used during the course of the project, including any subcontractors.
- C. Provide the name and a resume' of the person who will be the lead contact for the project and any other pertinent information.
- D. Provide the name and a resume' of the person who will be the lead contact at any Lenders who are proposed as sub-grantees. Describe the services each sub-grantee would provide. Provide the information in Section A. about each.

4. Revolving Loan Fund Program Proposal

- A. Please confirm how much in funds you are seeking, and provide us with supporting information to show that you can provide a minimum of 1:1 matching funds at time of contract signing and the source of those funds.
- B. How many loans do you estimate or anticipate closing over the 10 year term of the program (please provide assumptions)?
- C. What if any government supported finance programs do you currently participate in?
- D. Briefly describe the programs identified in part C. above.
- E. Please briefly describe how this program would work.
- F. What type of loan program type are you proposing to run with the award funds? If you have a run this type of program before please provide details.
 - Collateral support program (CSP)
 - Direct lending
 - Loan participations
 - Supplemental loan loss reserve(insurance) program
 - Other(please describe)
- G. Please provide an average estimated loan size for each category you selected in section G above.

5. Schedule

A. Describe the firm's ability to meet deadlines, especially on a short-time frame, and give examples of how past tight deadlines have been successfully met.

B. The program is designed to run for 10 years from the contract start date. The funds are intended to be 75% disbursed by June 30, 2015. Please provide projections on how you anticipate disbursing meeting the June 30, 2015 disbursement date.

C. Provide projections with assumptions on how your proposed program will achieve the required 5:1 private to state dollars leverage.

6. Reference

List names, addresses, telephone numbers, and e-mail addresses of three business references for whom work has been accomplished and briefly describe the type of service provided for them. The Lender must grant permission to COMMERCE to contact the references and others who may have pertinent information. Do not include current COMMERCE staff as references. COMMERCE may evaluate references at COMMERCE's discretion.

7. OMWBE Certification (OPTIONAL AND NOT SCORED)

Include proof of certification issued by the Washington State Office of Minority and Women's Business Enterprises if certified minority-owned firm and/or women-owned firm(s) will be participating on this project.

4 EVALUATION AND CONTRACT AWARD

4.1 EVALUATION PROCEDURE

Responsive proposals will be evaluated strictly in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of proposals shall be accomplished by an evaluation team to be designated by COMMERCE, which will determine the ranking of the proposals.

COMMERCE, at its sole discretion, may also elect to select the top-scoring firms as finalists for an oral presentation.

4.2 CLARIFICATION OF PROPOSAL

The RFQ Coordinator may contact the Lender for clarification of any portion of the Lender’s proposal.

4.3 EVALUATION WEIGHTING AND SCORING

The following weighting and points will be assigned to the proposal for evaluation purposes:

| | |
|---|--------------------------|
| Qualifications Section – 100% | 200 points |
| Bus. History and Service Experience.... | 45 points |
| Detailed Lending Experience..... | 50 points |
| Staff Qualifications..... | 15 points |
| Revolving Loan Fund Prog. Proposal..... | 55 points |
| Schedule..... | 25 points |
| Reference..... | 10 points |
| Grand Total | <u>200 Points</u> |

4.4 ORAL PRESENTATIONS MAY BE REQUIRED

Oral presentations, if considered necessary by COMMERCE, may be utilized in selecting the winning proposal. COMMERCE, at its sole discretion, may elect to select the top-scoring firm(s) from the written evaluation for an oral presentation and contact the top-scoring firm(s) to schedule a date, time and location for an oral presentation. Commitments made by the Lender at the oral interview, if any, will be considered binding.

As part of the final selection, COMMERCE may submit a specific scope of work to the top scoring finalists from the oral presentations to provide a final written response. Upon evaluation of this secondary written submittal, award to one or more contractors will be made.)

4.5 NOTIFICATION TO PROPOSERS

Firms whose proposals have not been selected for further negotiation or award will be notified by e-mail.

4.6 DEBRIEFING OF UNSUCCESSFUL PROPOSERS

Upon request, a debriefing conference will be scheduled with an unsuccessful Proposer. The request for a debriefing conference must be received by the RFQ Coordinator within three (3) business days after the Notification of Unsuccessful Lender letter is sent to the Lender. The debriefing must be held within three (3) business days of the request.

Discussion will be limited to a critique of the requesting Lender's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

4.7 PROTEST PROCEDURE

This procedure is available to Lenders who submitted a response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Lender is allowed three (3) business days to file a protest of the acquisition with the RFQ Coordinator. Protests may be submitted by facsimile, but should be followed by the original document.

Lenders protesting this procurement shall follow the procedures described below. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Lenders under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests shall be addressed to the RFQ Coordinator.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator
- Errors in computing the score
- Non-compliance with procedures described in the procurement document or COMMERCE policy

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) An evaluator's professional judgment on the quality of a proposal, or 2) COMMERCE'S assessment of its own and/or other agencies' needs or requirements.

Upon receipt of a protest, a protest review will be held by COMMERCE. COMMERCE director or an employee delegated by the director who was not involved in the procurement, will consider the record and all available facts and issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another Lender that submitted a proposal, such Lender will be given an opportunity to submit its views and any relevant information on the protest to the RFQ Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold COMMERCE's action.
- Find only technical or harmless errors in COMMERCE's acquisition process and determine COMMERCE to be in substantial compliance and reject the protest.
- Find merit in the protest and provide COMMERCE options which may include:
 - Correct the errors and re-evaluate all proposals
 - Reissue the solicitation document and begin a new process
 - Make other findings and determine other courses of action as appropriate

If COMMERCE determines that the protest is without merit, COMMERCE will enter into a contract with the apparently successful contractor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

5 RFQ EXHIBITS

- Exhibit A Certifications and Assurances
- Exhibit B Budget Proviso Section 1074

CERTIFICATIONS AND ASSURANCES

1. I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):
2. I/we declare that all answers and statements made in the proposal are true and correct.
3. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
4. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by COMMERCE without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.
5. In preparing this proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
6. I/we understand that COMMERCE will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of COMMERCE, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
7. Unless otherwise required by law, the prices and/or cost data that have been submitted have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by him/her prior to opening, directly or indirectly to any other Proposer or to any competitor.
8. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.
9. No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
10. I/we grant COMMERCE the right to contact references and others, who may have pertinent information regarding the Proposer's prior experience and ability to perform the services contemplated in this procurement.

Signature of Proposer

Title

Date

EXHIBIT B

18 NEW SECTION. **Sec. 1074. FOR THE DEPARTMENT OF COMMERCE**

19 Clean Energy and Energy Freedom Program (910000582)

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) All expenditures from the state taxable building construction
23 account--state appropriation in this section must be used for projects
24 that provide a benefit to the public through development,
25 demonstration, and deployment of clean energy technologies that save
26 energy and reduce energy costs, reduce harmful air emissions or
27 otherwise increase energy independence for the state. All expenditures
28 must be used for projects that develop and acquire assets that have a
29 useful life of at least thirteen years. These requirements must be
30 specified in funding agreements issued by the department.

31 (2) For any project funded from the state taxable building
32 construction account--state appropriation in this section, state funds
33 must not exceed fifty percent of the estimated cost of a project, and
34 funding preference must be provided to projects that offer a higher
35 percentage of nonstate match funds.

Code Rev/AL:seg

Official Print - 35

S-3079.3/13 3rd draft

1 (3)(a) \$15,000,000 of the state taxable building construction
2 account--state appropriation in this section is provided solely to
3 create a revolving loan fund to support the widespread use of proven
4 building energy efficiency and renewable energy technologies now
5 inhibited by lack of access to capital.

6 (b) To create the loan fund, the department shall provide grant
7 funds to a competitively selected nonprofit lender that will provide
8 matching private capital and will administer the loan fund. The
9 department must select the loan fund administrator through a
10 competitive process, with scoring conducted by a group of qualified
11 experts, applying criteria specified by the department.

12 (c) The department must establish guidelines for the lender related
13 to applicant eligibility, the screening process, and evaluation and
14 selection criteria. The criteria must include requiring evidence of
15 support for the proposed project from the impacted community and
16 consistency with economic growth strategies and plans of the affected
17 local governments. Applications for loans from the revolving fund must
18 disclose all sources of public funding to be provided for a project.
19 The nonprofit lender must use the revolving loan fund to make
20 affordable loans for projects including, but not limited to:
21 Residential and commercial energy retrofits, residential and community-
22 scale solar installations, anaerobic digesters to treat dairy and
23 organic waste, and combined heat and power projects using woody biomass
24 as a fuel source.

25 (d) The department must conduct due diligence activities associated
 26 with the use of public funds, including oversight of the project
 27 selection process and project monitoring.

28 (e) Projects seeking financing of solar installations under this
 29 section must agree in contract to not participate in the cost-recovery
 30 program under RCW 82.16.120.

31 (4) \$15,000,000 of the state taxable building construction
 32 account--state appropriation in this section is provided solely for
 33 grants to advance renewable energy technologies by public and private
 34 electrical utilities that serve retail customers in the state. The
 35 department shall work with utilities to offer matching grants for
 36 projects that demonstrate new smart grid technologies. The department
 37 shall develop a grant application process to competitively select
 38 projects for grant awards, to include scoring conducted by a group of

Code Rev/AL:seg

Official Print - 36

S-3079.3/13 3rd draft

1 qualified experts with application of criteria specified by the
 2 department. Applications for grants must disclose all sources of
 3 public funding to be provided for a project. The grant funds must be
 4 used to fund projects that demonstrate how to: Integrate intermittent
 5 renewables through energy storage and information technology, dispatch
 6 energy storage resources from utility control rooms, use the thermal
 7 properties and electric load of commercial buildings and district
 8 energy systems to store energy, or otherwise improve the reliability
 9 and reduce the costs of intermittent or distributed renewable energy.

10 (5) \$6,000,000 of the state taxable building construction account--
 11 state appropriation in this section is provided solely for grants to
 12 match federal funds used to develop and demonstrate clean energy
 13 technologies. The department shall work with the University of
 14 Washington, Washington State University, and the Pacific Northwest
 15 National Laboratory to offer matching funds for projects including, but
 16 not limited to: Advancing energy storage and solar technologies, and
 17 federal manufacturing innovation centers related to use of light-weight
 18 carbon fiber components to advance energy efficiency in the
 19 aeronautical, automotive, and marine sectors.

20 (6) The department must report on number and results of projects
 21 funded through the clean energy fund, including the number of job hours
 22 created and the number of jobs maintained and created, to the governor
 23 and the legislature, by November 1, 2014.

24 (7) The energy recovery act account--federal appropriation in this
 25 section is provided solely for loans, loan guarantees, and grants that

26 encourage the establishment of innovative and sustainable industries
27 for renewable energy and energy efficiency technology, consistent with
28 provisions of RCW 43.325.040 (energy freedom account).

29 Appropriation:

| | | |
|----|--|--------------|
| 30 | State Taxable Building Construction Account--State . . . | \$36,000,000 |
| 31 | Energy Recovery Act Account--Federal | \$4,000,000 |
| 32 | Subtotal Appropriation | \$40,000,000 |
| 33 | Prior Biennia (Expenditures) | \$0 |
| 34 | Future Biennia (Projected Costs) | \$0 |
| 35 | TOTAL | \$40,000,000 |

36 NEW SECTION. **Sec. 1075. FOR THE DEPARTMENT OF COMMERCE**
37 2013-2015 Energy Efficiency Grants (30000193)