



The Energy Improvement Corporation, (“EIC”) requests proposals from firms interested in providing short-term capital services related to EIC’S [Energize NY Benefit Finance Program](#). The purpose of this request is to allow EIC to select a firm or group of firms qualified to provide short-term line(s) of credit to EIC in connection with EIC’S Energize NY Benefit Finance Program (“the Program”). The Short Term Credit Facility will have a term of up to five years with an option to renew.

Proposal Submission: Proposers must submit one copy of the proposal via email with the original in a sealed envelope delivered the next business day by recognized overnight delivery service with a completed and signed Proposal Checklist attached to the front, which must contain an original signature. Proposals must be clearly labeled and submitted to:

Joseph Del Sindaco

Treasurer

2051 Baldwin Road, Suite 107
Yorktown Heights, NY 10598
(914) 302-7308
treasurer@energizeny.org

If you have technical questions concerning this solicitation, contact **Joseph Del Sindaco** in writing at treasurer@energizeny.org. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer’s behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

*Late proposals will be returned. Incomplete proposals may be subject to disqualification. It is the proposer’s responsibility to ensure that all pages have been included in the proposal. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other EIC location other than the address above. If changes are made to this solicitation, notification will be posted on EIC’s web site at <http://energizeny.org/blog>

I. OVERVIEW OF EIC AND THE ENERGIZE NY BENEFIT FINANCE PROGRAM:

Energy Improvement Corporation (EIC) is a New York State (NYS) Public Benefit and Local Development Corporation that works on behalf of its municipal members (“Participating Municipality”) to help achieve local and statewide community energy efficiency, renewable energy and GHG emission reduction goals while also supporting a clean energy economy. The Energize NY Benefit Finance Program developed by EIC works under the authority given to the

Participating Municipalities through Article 5-L of the General Municipal Law of New York State. EIC's programs include:

- *Providing innovative community-based hyper-local marketing and outreach services to link NYSERDA programs to the municipal and community level through the [Energize NY Program](#)*
- *Promoting and financing qualified energy improvements to real property through the [Energize NY Benefit Financing Program](#)*

Background

In 2009, the New York State Legislature enacted Article 5-L of the General Municipal Law ("Article 5-L"), which is intended to assist New York municipalities in creating financing programs for energy improvements. The State enacted specific legislative findings regarding Article 5-L:

The legislature finds and declares that it is the policy of the state to achieve statewide energy efficiency and renewable energy goals, reduce greenhouse gas emissions and mitigate the effect of global climate change, and advance a clean energy economy; and that to achieve such policy and goals the state must promote the deployment of renewable energy systems and energy efficiency measures throughout the state; and that municipalities would fulfill an important public purpose by providing loans to property owners for the installation of renewable energy systems and energy efficiency measures.¹

Specifically, Article 5-L authorizes municipalities to create sustainable energy loan programs to finance the installation of renewable energy systems and the implementation of energy efficiency measures on residential and commercial properties.²

EIC was formed by the Town Board of the Town of Bedford as a local development corporation pursuant to Section 1411 of the New York Not-For-Profit Corporation Law. The Town of Bedford is the initial member of EIC and expects other municipal corporations in New York to elect to join EIC in order to participate in the Program. As of 1/31/13, EIC has admitted one additional Participating Municipality with two additional membership candidates. The By-laws of EIC require that each Participating Municipality be a municipality of the State of New York (the "State"), and must "finance an energy improvement project or renewable energy system project" as defined in Article 5-L³, as well as satisfy other conditions set forth in the By-Laws or established by the Board of Directors.⁴

EIC's business strategy is designed to be low-cost and is specifically tailored to the needs of its Participating Municipalities:

- The Program provides benefit financing for energy efficiency and renewable energy improvements to commercial and not-for-profit owners of multi-family property, retail

¹ N.Y. General Municipal Law § 119-ee (Consol. 2012).

² N.Y. General Municipal Law § 119-gg(1) (Consol. 2012).

³ By-laws, § 2.1.

⁴ By-laws, § 2.1.

property, office property, commercial and industrial property within the borders of the Participating Municipality.

- The Program provides efficient, low cost access to the credit markets by leveraging the debt issuance powers vested in a NYS Public Benefit Corporation and by aggregating Program financings from projects across its municipal membership base.
- EIC's Participating Municipalities provide financing collection and enforcement services to EIC through their regular tax collection process, ensuring timely and reliable payments.
- EIC administers all other aspects of the Program for its Participating Municipalities including the application process, underwriting, finance disbursements and capital raising.
- EIC leverages NYSERDA's existing upgrade programs to ensure qualified and dependable energy efficiency and renewable energy projects.

The Operations of EIC

Under the Program, eligible owners of commercial and residential properties located in each of the municipal members may be permitted to borrow funds to finance energy efficiency improvements or the installation of renewable energy systems, if the proposed borrowing complies with the requirements of the Program.

EIC expects to obtain the funds that it will offer under the Program from (i) amounts that EIC borrows; or (ii) contributions that EIC receives from public and/or private sources. Each property owner will be required to enter into a written agreement with the Participating Municipality and EIC to document the terms and conditions of the financing.

To enable EIC to repay the funds that it borrows to make loans under the Program, each Participating Municipality will impose an annual tax charge on each property in its jurisdiction benefiting from a financing made under the Program. The charge will be in an amount sufficient to cover the annual principal and interest payable to EIC on the financing provided to the property owner. These charges will constitute a lien on the benefitted property and, except as otherwise provided by Article 5-L, the municipal member will collect and enforce the charges in the same manner as municipal taxes.⁵

As part of the Program, the Town of Bedford and every other Participating Municipality will be required to execute an agreement with EIC (the "Municipal Agreement"). The Municipal Agreement sets forth the respective responsibilities and obligations of each Participating Municipality and EIC under the Program. Pursuant to the Municipal Agreement, EIC is generally responsible for: (i) administration of the Program, including receiving and reviewing applications to determine whether the proposed financing qualifies under the Program; (ii) executing on behalf of the Participating Municipality the Finance Agreement with the owner of the Benefited Property; and (iii) disbursing the loan funds after reviewing the certificate of completion provided by the property owner or the contractor performing the work.

⁵ N.Y. General Municipal Law § 119-gg(9).

Pursuant to the Municipal Agreement, each Participating Municipality must timely impose the charges in accordance with the requirements of Article 5-L and in the amounts certified to it by EIC. The Municipal Agreement further obligates each Participating Municipality, within thirty (30) days of the due date of the municipal taxes, to remit payment in the amount equaling the total annual payments due to EIC from each benefited property within the municipality, regardless of whether the municipal member actually has received such payments from the owner of the benefited property. Each Participating Municipality is obligated to deposit its payments into EIC's trust account currently being administered by EIC's trustee bank, Deutsche Bank Trustee Services. The failure of a Participating Municipality to make the required payments to the Trustee within thirty (30) days of the due date constitutes an event of default on the part of the municipality. Moneys in EIC's Trust account will be pledged to the repayment of any EIC Indebtedness associated with the Program.

The Municipal Agreement also provides that EIC shall maintain one or more reserve funds ("Reserve Fund") some of which may be restricted for use only with respect to financing on properties located in certain Participating Municipalities. The Reserve Fund(s) will administered by the Trustee to, among other things: (1) secure a creditor of EIC from untimely charge collections; and (2) protect a Participating Municipality from losses resulting from defaulted charge payments in the event of a permanent loss with respect to a benefited property. Under the Municipal Agreement, a loss will not be deemed a permanent loss until the Participating Municipality has exhausted all remedies at law in an effort to collect the defaulted charge payments, including but not limited to the redemption and sale of the benefited property where the sale proceeds are not sufficient to recover all amounts paid by the municipality to EIC. The Reserve Fund(s) established by EIC will be funded with federal grant funds and other funds available for this purpose.

Currently EIC's Energize NY Benefit Financing is being readied to be offered through Participating Municipalities including those included in the Town of Bedford 2010 Better Building grant application to the US Department of Energy. EIC'S operations are funded by the US Department of Energy and the New York State Energy Research and Development Authority ("NYSERDA") with \$2.625 million in funding acquired through grants awarded to the Town of Bedford, of which \$750,000 has been allocated to the Reserve Fund(s). The balance of EIC's funding is being used for outreach and marketing, program development costs and program administration costs. Continuing funding of EIC's operations will originate from surcharges and fees associated with financings made to qualified properties under the Program.

EIC's underwriting standards (see Table A) restricts the amount of Program financing offered though the use of title checks, loan to value tests, savings investment ratio tests and cash flow calculations. Financings are approved by EIC's Director of Underwriting using underwriting standards approved by EIC's Board of Directors. The financings are monitored by EIC and serviced by EIC's Municipal Members and EIC's Trustee.

TABLE A

ENERGIZE NY BENEFIT FINANCING UNDERWRITING STANDARDS

- *Clear Title + Corporate/organizational documents in order*
- *Owner has not filed for bankruptcy for 7yrs*
- *There are no outstanding taxes or involuntary liens on the property in excess of \$1000*
- *Property is not in foreclosure and there have been no recent (within 3 years) mortgage or other property-related debt defaults.*
- *Maximum total of existing loans on the property must not exceed 80% of the Appraised Value of the property*
- *Maximum Energize Benefit Financing amount may not exceed 10% of the Appraised Value of the property*
- *Current on Mortgage*
- *Property tax payment record is clear for 3 years*
- *Property is located within EIC Participating Municipality*
- *Savings Investment Ratio test > 1*
- *Energy Improvements permanently affixed to property*
- *Required Assessment, Scope and Upgrade through NYSERDA HPwES or other NYSERDA approved upgrade program*
- *Must be existing structures that are benefited*
- *Energize Benefit Financing amount shall be repaid over a term not to exceed the weighted average of the useful life of such systems and improvements as determined by NYSERDA*
- *Must show predicted positive cash flow > 1% of annual tax charge payment (e.g., the value of the predicted energy savings must exceed the annual charge payment).*
- *Energize Benefit Financing net of ALL non tax based federal, state and local incentives*
- *Building Owner sign off on the work being completed*
- *Maximum Financing:*
 - *1-4 Family Residential Buildings – \$30,000*
 - *Commercial and Large Multi-Family Buildings – Subject to 10% Max Value and 80% LTV rule*
- *Minimum Financing Amount – \$3,000*
- *Must show existing lender consent (Commercial Property)*

Purpose of Short-term Credit Facility and Repayment Terms

The 5yr short-term credit facility (“Facility”) will be used to fund energy improvements on qualified real property located within a Participating Municipality’s borders. Repayment of funds drawn on the Facility will be provided from tax charges collected by the Participating Municipalities and ultimately paid off by issuance of EIC Bonds (“Bonds”). Facility prepayments must be permitted at any time without a prepayment penalty. Interest and principal payments related to both the Facility and the Bonds will be secured and paid from the collections of tax charges on financings made through the Program and the Reserve Fund. EIC is considering a first bond issuance in Mid 2013 of \$2-10 million, issued as either Qualified Energy Conservation Bonds (“QECCB”) using allocated QECCB authority from Participating Municipalities or as Taxable Municipal Bonds.

For a more information about the Program, please visit EIC's website at www.energyimprovementcorp.org.

II. PROPOSAL CONTENTS: SCOPE OF SERVICES OFFERED TO EIC:

1. Firm(s) will be expected to provide between \$1 million to \$10 million of a short-term credit line with flexible terms that will allow EIC to aggregate financings from Participating Municipalities into an EIC QECB issuance or other EIC Bond issuance.
- 2) Identify opportunities in the market for EIC through the firms' existing commercial property client base
- 3) Firm(s) will provide a separate line of credit of \$180,000 for EIC's daily business operations.
- 4) EIC will consider additional traditional banking services as offered by the proposing firm.

III. RFP SCHEDULE

The following is EIC's anticipated RFP schedule. Please note that the dates below may be subject to change:

- 1. Response Deadline.** Responses to this RFP are due by 5:00pm (Eastern) on **February 15, 2013**. Responses are to be submitted by email and hard copy as described above. Your submission will be acknowledged by email.
- 2. Results.** EIC intends to notify firms of the initial results of the RFP process by **February 21, 2012**. If EIC chooses, this notification will include notice on the need for an interview.
- 3. Oral Interviews.** If EIC chooses to conduct oral interviews, they will be held on **February 27, 2013**. Proposers should reserve this date in the event that EIC schedules interviews with selected proposers. Interviews will be held at EIC's Yorktown offices.

IV. PROPOSAL REQUIREMENTS Proposing firms must submit one hard copy of the completed proposal and one e-mailed copy to the attention of Joseph Del Sindaco at the address on the front of this Request for Proposal and in the method as set forth above. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, and the original copy must contain an original signature. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist may be returned.** No faxed copies will be accepted. E-mailed copies w/o a hard copy version delivered overnight at the above address will not be accepted.

Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k Pursuant to State Finance Law §139-j and §139-k, this RFP includes and imposes certain restrictions on communications between EIC and the proposer during the procurement process. The proposer is restricted from making contacts from issuance of the RFP through final award and approval of the procurement contract by EIC ("restricted period") to other than designated staff unless it is

a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a). Designated staff, as of the date hereof, is identified on the first page of this RFP. EIC employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the proposer pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a 4 year period, the proposer is debarred from obtaining governmental procurement contracts.

The proposer shall sign (1) the required Affirmation of Understanding and Agreement to comply with EIC's procedures relating to permissible contacts in Attachment B, annexed hereto and made a part hereof, and (2) the Disclosure of Prior Findings of Non-responsibility Form in Attachment C, annexed hereto and made a part hereof.

Proposal Requirements

Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. To be considered, the proposals must respond to the questions and requests listed below. Failure to respond to the questions or provide information as requested may be deemed unresponsive. Proposals should not exceed twenty (20) pages, excluding required attachments and signed cover letter. Please include a sample copy of a Credit and/or Loan Agreement.

EIC will not be responsible for any costs or expenses incurred by respondents responding to this RFP, including the cost of preparing the initial response, providing any additional information and traveling for an oral presentation.

Each page of the proposal should state the name of the proposer and the page number. The proposal must be in the following format:

Section 1. Background Information

1. Cover Letter. Cover letter shall be signed by a person authorized to commit the firm to the terms of the response and to be held primarily responsible for the veracity of statements made in the response.
2. Description of Firm. Provide a brief description of your firm, its capabilities and organizational structure. Please describe how your firm's selection would benefit EIC.
3. Personnel. Please provide brief resumes of the individuals in your firm who would be assigned to provide relevant services to EIC. (Resumes will count as attachments, excluded from 20-page limit.) Please be specific for the following duties (if applicable), providing telephone and fax numbers, mailing address and e-mail address for each individual:
 - (a) Primary contact/day-to-day responsibilities,
 - (b) Credit line authority supervisor
4. Capital/Liquidity. Attach your firm's most recent quarterly financial statements and three

most recent trailing annual financial reports. Please discuss your firm's capital structure including its total capital, equity capital, and excess net capital for each of the last three (3) years, and as of Dec 31, 2012.

5. Experience in New York. Please summarize your firm's experience in providing short-term lines of credit to municipal and municipal related entities in New York State and/or experience in NYS based loan and securitization programs.

6. Technical and Innovative Capabilities. Please describe (no more than 5) short-term lines of credit transactions that your firm has offered, demonstrating the technical and innovative capabilities of your firm. Describe how your firm assisted the borrower in optimizing the benefits of the transaction. For each transaction listed, please provide the borrower's name, amount involved, issuer contact and telephone number.

Section 2. Firm's Proposal:

1. The proposal must include the firm's fees, terms and charges based on a \$1 million minimum line and/or any part of a maximum \$10 million Line of Credit facility with a term of up to 5 years with options to renew for extended periods. During the term of the facility, EIC requires flexibility to draw down in part or in whole and to repay or prepay funds to fit with the operations of the program as described above.

2. Describe how the firm would market EIC's services to your existing client base of commercial and multi family mortgage clients.

3. Terms for an additional \$180,000 line of credit to be used for EIC's daily business operations.

4) EIC will consider a firm's proposal that includes traditional banking services (eg: checking, electronic payments, credit card services, transfers, etc.) to enhance the firm's overall bid.

V. PROPOSAL EVALUATION

Proposals that meet Proposal requirements will be reviewed by a Technical Evaluation Panel based on the following areas of consideration, with the percentage weight of each category shown in parentheses.

1. Interest Cost of the primary Line of Credit (25%).
2. Terms, flexibility and restrictions of the primary Line of Credit (20%)
3. Dollar amount of the primary Line of Credit (20%)
4. Demonstrated understanding of the structure of the Program (15%) Extra consideration will be given to firms demonstrating an understanding of the use of Property Assessed Clean Energy (PACE) Financing process and the firm's commitment to providing a high level of responsive client service, including positive references for such experience.
5. Personnel (10%). Demonstrated assignment of sufficient, qualified, and experienced professional personnel, with preference given to personnel experienced in providing services such as those contemplated by this RFP including the marketing of the Program

to existing commercial and multi family mortgage clients.

6. Understanding of and Ability to Perform Scope of Services: Demonstrated experience as creditor in providing short term lines of credit to municipal and municipally related entities. (10%)

VI. CONFLICT OF INTEREST

EIC will not select any person or firm that has a relationship with another entity that does or could result in a conflict of interest for such person or firm in carrying out the provision of credit services to EIC unless EIC determines that the activities of the person or firm for such other entity will not be adverse to the interests of EIC. No official or employee of EIC or the Selection Committee who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this engagement shall, prior to the completion of the engagement, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract. Firms selected pursuant to this RFP will be obligated to provide ongoing disclosure to EIC of information requested in this *Section VI*.

VII. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to EIC as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information EIC possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to EIC that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5). However, EIC cannot guarantee the confidentiality of any information submitted.

NYS, Minority and Women Owned Businesses - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development

Division For Small Business

30 South Pearl Street

Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development

Minority and Women's Business Development Division

30 South Pearl Street

State Finance Law sections 139-j and 139-k - EIC is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at

<http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>

Attachment B and Attachment C annexed hereto calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k, respectively.

Contract Award - EIC anticipates making between one (1) and three (3) awards under this solicitation depending on responses received and the mix of services offered by respondents and as outlined in Section VI. EIC reserves the right to limit any negotiations to exceptions specifically identified in the submitted proposal.

Limitation - This solicitation does not commit EIC to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. EIC reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in EIC's best interest. EIC reserves the right to reject proposals for any reason it deems reasonable and in EIC's best interest.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of EIC after the award of a contract, EIC may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

VIII. ATTACHMENTS:

ATTACHMENT A - PROPOSAL CHECKLIST.

ATTACHMENT B - RFP AFFIRMATION OF UNDERSTANDING OF AND AGREEMENT PURSUANT TO STATE FINANCE LAW §139-J(3) AND §139-J(6)(B)

ATTACHMENT C- DISCLOSURE OF PRIOR FINDINGS OF NON- RESPONSIBILITY

FINANCE FLOWS

BALANCE SHEET – TOWN OF BEDFORD AND EIC

INCOME STATEMENT FORWARD-LOOKING

BY LAWS

CERTIFICATE OF INCORPORATION

