

# REQUEST FOR PROPOSALS

## Program Administration for PACE Wisconsin A Property Assessed Clean Energy (PACE) Program

### **Purpose**

PACE Wisconsin is issuing this Request for Proposals (RFP) to solicit proposals from qualified organizations to serve as a Program Administrator for the statewide PACE program. **The expected contract start date is September 15, 2016.** A successful applicant will provide PACE Wisconsin with a solution for the start-up, implementation, and administration of a PACE Program in the state of Wisconsin. The Program Administrator will be expected to manage the PACE Program in accordance with all policies, rules and expectations set forth by PACE Wisconsin. Certain expectations are outlined in this RFP.

Initially, PACE Wisconsin is focused on promoting and completing commercial projects. PACE Wisconsin is interested in initiating a commercial PACE Program. Subsequent phases of the program may be expanded to include residential projects. Respondents are requested to focus their responses to the needs of a commercial PACE Program.

### **Background**

Property Assessed Clean Energy, otherwise referred to as “PACE,” is a financing vehicle that assists property owners in making clean energy, energy efficiency, water, and environmental health and safety investments, and improve the quality of our shared environment, by reducing financial and other barriers to implementation.

The enabling legislation is codified at Wis. Stat. § 66.0627(8) (the “PACE Statute”). This statute authorizes a city, village, town or county to, among other things, make a loan or otherwise arrange, participate in or facilitate the financing of an energy efficiency improvement, a water efficiency improvement or a renewable resource application to a real property within its jurisdiction and to provide for such financing through the imposition of a special charge against the property benefitted by the energy or water efficiency improvement or renewable resource project.

PACE Wisconsin was created pursuant to Wis. Stat. § 66.0301, pursuant to The Joint Exercise of Powers Agreement relating to Wisconsin PACE Commission, which is attached hereto as Attachment A. “*PACE Wisconsin*” is the tradename under which the Wisconsin PACE Commission operates. Under Wis. Stat. § 66.0301, two or more municipalities (including counties) within the state may by contract create a commission for the joint exercise of any power or duty required or authorized by law. In addition to the authorization to municipalities under Wis. Stat. § 66.0627(8) to establish a PACE Program by adoption of an ordinance, each of the Commission

members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare, which may be accomplished by various means. The purpose of PACE Wisconsin is to develop and administer a statewide PACE Program in Wisconsin.

Membership in the PACE Commission is open to all Wisconsin municipalities (counties, cities, villages and towns) but the program will be implemented at the county level.

The PACE Commission, in establishing its PACE Program, acknowledges and supports the purposes for the creation of a uniformly administered PACE Program set forth in the Property Assessed Clean Energy Financing Ordinances adopted by each of its Member counties as being in the public interest because:

- ☐ Renovations or additions to commercial properties in Member counties are made to improve energy efficiency, improve water efficiency, and/or use renewable resource applications, increase property values, stimulate local economic activity, provide local and global environmental benefits, and promote the general welfare of community residents.
- ☐ A PACE program facilitates access to reasonable cost loans arranged by property owners or lessees to make such improvements by treating loan principal and interest, fees and other charges as special charges eligible for inclusion on the tax roll for those properties;
- ☐ Property owners, lessees, lenders and other transaction parties will benefit from having access to a uniformly-administered program for PACE financing.

## **General Program Requirements**

It is the goal of the PACE Program to utilize the authority under Wis. Stat. § 66.0628(7) in such a manner as to effectively encourage and facilitate property owners to invest in renewable energy and upgrading the energy and water efficiency of their buildings.

The PACE Program will be available to owners of property located within the jurisdiction of county Members and subject to the restrictions as set forth in the PACE Statute and in accordance with any rules or guidelines as determined by the PACE Commission.

**The PACE Program requires mortgage lender consent for PACE loan approval.** The Program Administrator will be required to ensure that existing mortgage lender consent for PACE projects is obtained to allow the execution of a PACE loan under the program.

## **Contract Term**

The **expected contract start date is September 15, 2016**. The term of the contract shall be three (3) years commencing upon execution by the Commission, unless sooner terminated or extended, in whole or in part, as provided in the final contract. The Commission shall have the option to extend the Contract term for up to two (2) additional three-year periods for a maximum total of nine (9) years. Each such option and extension shall be exercised at the sole discretion of the PACE Commission.

## **Contract Rates**

The Program Administrator will receive compensation through the fees, assessments, and/or interest charged to property owners or providers who utilize the PACE Program. Neither the PACE Commission nor any of its Members intend to directly provide the administrator with compensation or financial support for the program administration costs. The PACE Commission is interested in administration fees being capped, with a maximum amount per project, in order to keep the utilization costs of PACE as attractive and affordable as possible for property owners.

## **Scope of Services**

The objective is for the awarded Program Administrator(s) to provide for implementation and administration of the PACE Program as outlined below to include program management, marketing and outreach, and financial management. While it is preferable for a respondent to be capable of performing all three roles, either as a single entity or with multiple entities responding as a team, respondents may propose to provide services for one or more of the work tasks.

A detailed outline of the work tasks associated with this RFP includes, but is not limited to, the following:

### **Program Set-up**

- Collaborate with the PACE Commission to develop program rules and regulations.
- Prepare a program manual according to the program rules and regulations that establishes the PACE Commission's guidelines and processes for which Applicants seeking to complete a PACE Project may be approved to utilize PACE Financing.
- Conduct Wisconsin county and other municipal recruitment activities aimed at increasing membership in the PACE Commission.
- Collaborate with the PACE Commission on the development of key legal documents such as the Supplemental Loan Agreement and other program materials.
- Prepare and collaborate with the PACE Commission to develop a market facing brand and associated marketing materials.
- Establish a PACE Commission program website.

### **Program Management Responsibilities**

- Provide guidance on program policies and procedures.
- Develop and maintain all forms required to process PACE Financing transactions.
- Manage project application intake and processing (in accordance with the PACE Program Manual).
- Receive, review and approve/deny project applications per the standards set forth in the PACE Program Manual:
  - Ensure property eligibility
  - Ensure project eligibility
  - Ensure expense eligibility
  - Ensure project achieves mortgage lender consent
  - Ensure project achieves a savings-to-investment ratio greater than 1.0:1 and that the energy engineer or contractor provides a guarantee that such result will be achieved by the PACE project, as required by Wis. Stat. § 66.0627(8).
  - Ensure all supporting documentation is received and recorded with the application.
- Notify applicants of approval/denial within ten (10) business days.
- Respond to inquiries from potential participants (i.e., project applicants, lenders, developers and contractors) in a timely manner.
- Establish and maintain a readily accessible presence, including point-of-contact services for mail, telephone, and email for applications and inquiries.
- Maintain the PACE Program website, including:
  - Create, maintain, and publish web-based application forms
  - Create, maintain, and update as required FAQ pages for program
  - Publish downloadable versions of all program materials
  - Maintain and publish list of eligible activities including energy efficiency, renewable energy, and water conservation measures
  - Create, maintain, and publish "case studies" of successful PACE projects
  - Establish contractor and capital provider qualifications

- Create, maintain, and publish a list of PACE qualified contractors and active capital providers

### **Commission Reporting and Communication Responsibilities**

- Maintain regular communication with the PACE Commission
  - Schedule and provide notice of Commission Board meetings.
  - Participate in Board meetings
  - Prepare materials requested for Board meetings
  - Provide quarterly program performance metric reporting
  - Conduct such other tasks as directed by the PACE Commission and consistent with the scope contained herein and in the contract
- Prepare Project summary sheets per project for review and approval by the PACE Commission. The summary sheet should include, but is not limited to:
  - Property owner
  - Project Location (City, County)
  - Amount of requested PACE financing
  - PACE Lender (Funding Source)
  - PACE Loan Interest rate
  - Term of the PACE Loan
  - Total project cost
  - Fees
  - Known incentives (tax credits/rebates)
  - Property Value
  - Outstanding Mortgage Loan Balance(s)
  - Combined Outstanding Mortgage Loan + PACE Loan – to – Value (%)
  - Savings to Investment (SIR)
  - Projected cost savings
  - Projected environmental benefits
  - Lender Consent
  - Projected jobs created by PACE project
  - Energy Audit report, including the name of the report preparer
  - Anticipated primary PACE contractor
  - Primary Developer
  - Project description
  - Summary of proposed PACE improvements
- Develop Program Performance Reporting - Provide quarterly performance metric reporting, including but not limited to:
  - Customer contacts/applications by County
  - Application status
  - Installation numbers
  - Outstanding PACE Loans
  - Energy Benefits generated through the PACE Commission
  - Total number of delinquencies
  - Total number of defaulted PACE Financings
  - Status of defaulted PACE Financings or foreclosures

- Customer complaints and responses
- Conduct ongoing recruitment activities aimed at increasing membership in the PACE Commission.

### **Marketing, Outreach, and Training Management Responsibilities**

- Maintain PACE Commission website and program materials for publishing via website.
- Conduct Financial Institution recruitment activities aimed at offering more PACE Financing options for property owners and contractors.
- Create and maintain one-page program fact sheets about the program, for varying sectors:
  - Outreach materials focused on contractors
  - Outreach materials focused on property owners
  - Outreach materials focused on utilities
  - Outreach materials focused on local economic development agencies
- Case studies highlighting program process flows, successes, etc.
- Frequently asked questions.
- Press releases for completed projects and other important events.
- Manage education, training, marketing, and outreach campaigns for each of the following sectors:
  - Contractors
  - Property owners
  - Financial institutions / capital providers
  - Utilities
  - Local Government and Economic Development Agencies

### **Financial Management Responsibilities**

- Ensure that existing mortgage holder consents for all PACE Projects are obtained.
- In cooperation with the PACE Commission develop requirements and criteria for PACE Commission Participating Lenders.
- Qualify financial institutions seeking to become PACE Participating Lenders.
- Feature Participating Lenders on the program website.
- Support capital providers as needed in the financial transaction closing process.
- Transaction duties (i.e. recording Supplemental Agreement, collection of periodic installments, remittance of installment payments, end of lien processing, etc.).
- Certify and transmit necessary information to municipal tax assessors to notify them of transaction details and for allowing the special charge to be recorded (e.g. amount of special charge).
- Provide information on the special charge agreement that allows the municipal treasurer to record on the property bill, as required by the program.
- Manage all associated tracking and reporting.

### **Value Added Services (Options):**

- Contractor Management services to qualify, train and develop a network of certified contractors.

- Offer property owners enhanced PACE project development services to help coordinate and complete PACE Financings.
- Develop and market to property owners a public sector supported PACE Financing option.
- Others as recommended by the PACE Commission.

## **Application Process**

### **Proposal Submission Requirements**

Proposals in response to this RFP are to be submitted to:

Attorneys Andrew Guzikowski and Andrew Phillips  
von Briesen & Roper, s.c.  
411 E. Wisconsin Avenue  
Suite 1000  
Milwaukee, WI 53202  
[aguzikow@vonbriesen.com](mailto:aguzikow@vonbriesen.com)  
[aphillips@vonbriesen.com](mailto:aphillips@vonbriesen.com)

## **RFP RESPONSE REVIEW CRITERIA**

**Seven paper copies of the proposals, in 8.5"x11" letter-size format, and one electronic copy in a PDF format must be received by 5:00 PM on September 2, 2016.** Please limit your responses to the outline provided below. Proposals that do not respond fully to each request may be deemed non-responsive by the PACE Commission at their discretion. Responses will be scored based on the stated weights of each section, as identified by the number percentage after the section headings below. Please provide the following information in sequence:

### **1. Qualifications and Experience (50%)**

- a. List the name and title of the primary individual or company designated to serve in the role of program administrator, including business mailing address, telephone number, and email address. Provide a narrative indicating the history, mission, vision and purpose of the company.
- b. Provide relevant biographical information for the personnel who will be assuming the responsibility of the services outlined in the Scope of Services. Please limit response to four or fewer individuals.
- c. Identify subcontractors or partners you anticipate working with, describe your relationship with those subcontractors/partners, identify which section(s) within the Scope of Services they will be responsible for providing, and provide details of each subcontractor's qualifications.
- d. Provide a statement of your knowledge and experience specifically within the State of Wisconsin, including relationships and business experience with local firms, utilities, funding sources, developers, and other relevant members of the development community.
- e. Provide a narrative and recent examples of your experience performing in each section of the activities listed in the Scope of Services. Please indicate whether experience is with commercial, residential, municipal, or institutional projects.
  - Program Management
  - Marketing and Outreach Management
  - Financial Management

### **2. Set the PACE Commission Approach (25%)**

- a. Provide a narrative of how your proposed Marketing/Outreach and Training Proposal will help to grow the PACE Commission program, including what type of activity generates the greatest return on investment through leads/projects.
- b. Provide a narrative or your proposed plan to conduct Marketing, Outreach, and Training as identified in the Scope of Services. Please include planned media usage type and frequency, materials generated and distributed, and type and frequency of education/outreach activities.

***Note that neither the Commission nor its Members will provide funds or reimburse for costs associated with expenses related to these activities.***

### **3. Compensation/Fee structure (25%)**

- a. Provide a detailed compensation structure that described the fees, assessments and/or interest rates to be charged to property owners who utilize the PACE Program based upon the expected costs to administer the program as described in the Scope of Services. The Commission expects that the Administrator's fee structure will be sufficient to pay the ongoing costs associated with the operation of the Commission (estimated at less than \$100/month) as well. Provide detail of each expected cost and how it will be funded through the proposed compensation structure.\*
- b. Provide a minimum and maximum (cap) compensation amount allowable for program administration per project, inclusive of all forms of compensation.

**\*The PACE Commission will not directly provide the administrator with compensation or financial support for the program administration costs.**

### **4. Deviation from Scope of Services**

If a respondent cannot, or is not willing to provide certain aspects of the above Scope of Services, please provide a detailed explanation for any deviation from the Scope of Services contained in this RFP. This includes proposing any *additional* services potentially beneficial to the PACE Commission Program that may not be listed in the Scope of Services. These additional services may include collateral or ancillary services/products provided by the administrator to program or potential program participants/providers for a price or fee that is not included in the PACE loan agreement.

### **Selection Process**

The PACE Commission, or a designated selection committee, will convene to review and score all responses based upon the stated weights of each section. The PACE Commission, or its designated selection committee, reserves the right to require an interview of respondents at a place and time to be determined by the PACE Commission or its designated selection committee. Once the successful respondent is selected, the PACE Commission will notify that respondent, and contract negotiations will begin.

The PACE Commission reserves the right to modify or eliminate certain criteria or establish further criteria for evaluation of proposals, to require additional submissions, to waive any informality in submissions, to modify its selection process, to reject any or all proposals, and to negotiate with a successful respondent.

### **Questions and Answers**

Any questions related to this RFP should be submitted by email to Attorney Andrew Guzikowski ([aguzikow@vonbriesen.com](mailto:aguzikow@vonbriesen.com)) and Attorney Andrew Phillips ([aphillips@vonbriesen.com](mailto:aphillips@vonbriesen.com)) on or before 3:00 PM, CDT, on August 29, 2016. The PACE Commission reserves the right to accept, reject, and not respond to any or all questions.

### **Commission Responsibility**

Commission is not responsible for representations made by any of its officers or employees prior to the execution of the Contract.

### **Truth and Accuracy of Representations**

False, misleading, incomplete, or deceptively unresponsive statements in connection with a proposal shall be sufficient cause for rejection of the proposal. The evaluation and determination in this area shall be at the PACE Commission's sole judgment and his/her judgment shall be final.

## Attachment A

### Model Ordinance & Wisconsin PACE Commission Agreement & Current Commission Members