Industrial Process & Product Innovation Program Opportunity Notice (PON) 1190
$5.5 Million Available

*This PON is **NOT** limited to facilities that pay the SBC**

Proposals Due: by 5:00 PM Eastern Time**
3 Due dates: March 5, July 2, and November 5, 2008
All, or none, of the available funds could be allocated to projects selected from any one due date.

The New York State Energy Research and Development Authority (NYSERDA) invites proposals for projects to **develop, demonstrate or commercialize new energy-efficient technologies for use in industrial processes** in the manufacturing and agricultural sectors. The solicitation seeks proposals from:

(1) technology *developers* who intend to produce an **innovative** product, or provide a service, that will provide an energy benefit for other industrial firms' processes ***or***

(2) technology *users* who intend to use an **innovative or underutilized** manufacturing process that will provide them with an energy benefit.

Projects must have a New York State benefit.

Proposals can be for Feasibility Studies or Demonstration and Commercialization Projects.
For each selected **Feasibility Study**, NYSERDA will provide up to $75,000, or 50% of the total project cost, whichever is less. Feasibility Studies include: proof-of-concept investigations, prototype design and development, preliminary market assessment, or business plan development.

For each selected **Demonstration or Commercialization project**, NYSERDA will provide up to $400,000, or 50% of the total project cost, whichever is less. Such projects typically include: field demonstrations at industrial sites in NY, performance testing, manufacturability analysis, commercial design development, certification, development of production systems, and development of commercialization strategies. Technology *Developers* may be required to repay NYSERDA through a royalty agreement.

Proposers must submit eight (8) copies of the proposal with a completed and signed proposal checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON 1190
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

If you have technical questions concerning this solicitation, contact one of the following Project Managers at (518) 862-1090, at the designated extension, or email:

Miriam Pye, ext. 3370, mep@nyserda.org	Process improvements
Bill Reinhardt, ext. 3257, wwr@nyserda.org	Product development, process improvements
Ed Kear, ext. 3269, ebk@nyserda.org	Product development, process improvements
Jessica Zweig, ext 3346, jlz@nyserda.org	Underutilized technologies

If you have contractual questions concerning this solicitation, contact Diane Vogel, ext. 3299, drv@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting the Project Managers listed above (Designated Contacts). Contacting anyone other than these Designated Contacts (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.

***Eligibility**: This solicitation is funded from 2 sources: $2,500,000 from the System Benefits Charge (SBC) and $3,000,000 from other NYSERDA funding sources. The $2,500,000 portion from SBC funds is limited to projects with electricity benefits at sites that contribute to the SBC fund (i.e., NYS electric distribution customers of Central Hudson Gas & Electric Corp., Con Edison Co. of NY, NY State Electric & Gas Corp., National Grid, Orange and Rockland Utilities, Inc., or Rochester Gas and Electric Corp.). The remaining $3,000,000 in funding is available to all industrial projects with NYS energy benefits.

*** Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any NYSERDA location other than the **Albany** address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.org.*

PROPOSAL REQUIREMENTS

Proposers must submit eight (8) copies of their completed proposal (double-sided preferred) to R. Viscusi at the address indicated on the first page of this PON. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, one of which must contain an original signature. ***Bindings, report covers, or other presentation material should not be used (a single staple in the upper left-hand corner is preferred). Limit your proposal to 10 pages (12-point font) excluding letters of support, resumes, and NYSERDA forms (Attachments A, B, C).*** Do not include unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response. Each page of the proposal should state the name of the proposer, the PON number, and the page number. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned.** Faxed or e-mailed copies will be not be accepted.

Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k: Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. (Text of the laws are available at: www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html). In compliance with §139-j and §139-k of the State Finance Law, for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of $15,000, additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

Please provide the information requested in each section below.

❑ ***Each required section below is followed by questions, which are the criteria by which the Technical Evaluation Panel (TEP) will evaluate your proposal.***

1. Executive Summary (one page) - Provide a brief response to each of the following:

- The problem or opportunity you are addressing and its background.
- What you are trying to do to address the problem/opportunity, and how you are going to do it.
- Likely energy, environmental and/or economic benefits to you and New York State.
- Team qualifications.

2. Problem Statement and Proposed Solution – Please discuss:

- The problem or opportunity you are addressing and its background.
- The proposed solution and how it addresses the problem/opportunity, including:
  - technical description of project,
  - innovative/underutilized characteristics,
  - current stage of research/development/commercialization,
  - alternative solutions and why the proposed solution is superior, and
  - barriers to success and/or project risks.

Criteria:

❑ Is proposed concept practical and technically feasible?
❑ Is the proposed technology or process improvement innovative or underutilized?
❑ Is the technology or process improvement better than other options?

3. Project Benefits:

- Quantify estimated energy benefits to the extent possible (e.g., kWh, kW, Btu, $).
- Estimate other benefits (e.g., increased: revenue, product quality, productivity, units sold, or new/ retained jobs; or decreased: maintenance, liquid/solid waste, emissions, capital, etc.).
- Discuss what entity/entities will reap these benefits.
- Discuss potential for replicating or commercializing results in New York State and potential State-wide benefits.
- Provide a cost/benefit projection.
- Upon conclusion of the project, benefits **must** be quantified and reported to NYSERDA for five years. Discuss your plan for quantifying the ***actual*** project benefits.

Criteria:

❑ Are energy benefits significant (for the proposer and New York State)?
❑ Are environmental and economic benefits significant (for the proposer and New York State)?
❑ Do estimates of benefits seem reasonable?
❑ Is there a plan to quantify actual benefits after project completion?

Choose 4a or 4b:

4a. Technology Transfer for *Process Improvement* Projects

- Discuss other potential users of your process change in New York State.
- Discuss your plan to transfer project results to this audience (e.g., on-site public demonstrations; presentations at appropriate meetings; preparation of fact sheets, articles or case studies; etc.).

  Criteria:

  - ❑ Is the technology transfer plan adequate to disseminate appropriate information to the appropriate New York State audience?

4b. Commercialization Plan for *Product Development* Projects

Project Timeline:

- Provide a timeline showing the paths, activities, milestones, resources, cost and timing estimated to take the technology from its current state of development to the next stage, and ultimately to commercial deployment.

  Criteria:

  - ❑ How likely is it that this product will be commercially viable in 3 years or less?

Marketing:

- Define your target markets (in and outside of NYS) and their relevant characteristics, e.g., size, competition, trends (regulatory, technological, etc.).
- Discuss your marketing strategy to these markets and why you think they will be successful.
- Estimate the price of the product or service that will be commercialized and compare the price to that of competing products or services.
- Discuss the customer's economic motivation for buying the new product or service, versus alternatives.

  Criteria:

  - ❑ Is there market demand for the product?
  - ❑ Does the proposed market strategy seem effective?

Design & Production:

- Discuss technical development steps remaining prior to starting manufacturing or deployment.
- Discuss plans for setting up facilities for manufacturing or other deployment activities, including key issues such as: need for specialized production equipment or strategic alliances; critical make/buy decisions or cost/volume issues; and plans for ancillary activities such as service support functions.

  Criteria:

  - ❑ Does design & production plan seem adequate?

Finance:

- Estimate funds required to go from the current stage of development to a financially self-sustaining level of commercialization; include funding for R&D, initial marketing, and manufacturing/deployment programs. Identify potential funding sources and strategic partners.

  Criteria:

  - ❑ Is funding adequate to achieve plan?

5. Scope of Work and Schedule:

- Describe each task required to accomplish goals and who will perform each task.
- Prepare a schedule of when each task will be performed, milestones and project completion.

  Criteria:

  - ❑ Is the approach likely to meet the proposal's goals?
  - ❑ Is the schedule reasonable?
  - ❑ Does the statement of work include tasks for:
    - ❑ technology transfer (for process improvements) or commercialization (for product development), and
    - ❑ quantifying benefits?

6. Cost Sharing:

- The proposal should show non-NYSERDA funding of **at least 50%** of the total cost of the project. Cost sharing can be from the proposer, other team members, and other government or private sources. Contributions of direct labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. Unpaid labor, indirect labor, or other general overhead may be considered "in-kind" contributions.
- NYSERDA will not fund efforts that have already been undertaken. The proposing team cannot claim as cost-share any expenses that have already been incurred.
- Show the cost-sharing plan in the following format (expand table as needed).

Source	Cash	In-Kind Contributions	Total
NYSERDA	$		$
Proposer	$	$	
Others (list individually)			
Total	$	$	$

Attach supporting documentation to support indirect cost (overhead) rate(s) in your proposal as follows:

1. Describe the basis for the rates proposed (i.e., based on prior period actual results; based on projections; based on federal government or other independently approved rates).
2. If rate(s) is approved by an independent organization, such as the federal government, provide a copy of such approval.
3. If rate(s) is based on estimated costs or prior period actual results, include calculations to support proposed rate(s). Calculation should provide enough information for NYSERDA to evaluate and confirm that rate(s) is consistent with generally accepted accounting principles for indirect costs.

NYSERDA reserves the right to audit indirect rates presented in the proposal and adjust for differences. Requests for financial statements or other financial information may be made if deemed necessary.

Product developers may be required to repay NYSERDA through a royalty agreement.

Criteria:

- ❑ Does the level, type and source of cost sharing indicate a sufficient commitment to the project by the proposer and proposing team?

7. Budget -

- Complete the **Contract Pricing Proposal Form** (Attachment C) (see CPPF instructions). Indicate requested NYSERDA funding in the column labeled "Funding & Co-funding via NYSERDA." Include non-NYSERDA cash and in-kind contributions in the column labeled "Cost-sharing and other co-funding."

Criteria:

- ❑ Is cost reasonable when measured against project goal, scope of work, and expected benefits?
- ❑ Are costs clearly specified?

8. Business Description:

- Describe your business: number of employees; what you produce and how much per year, or what services you provide; what kind of facilities you have; how many locations you have, whether you are part of a larger organization, and total revenues for 2007.
- Discuss how much of your revenues resulted from sales, grants and other sources (identify).
- Identify any investments from, or discussions with, venture capital firms, investment bankers, etc.
- If your proposed project involves additional demonstration sites, identify the site(s) (location, facilities, product, employees, revenues, etc.).

Criteria:

- ❑ Is the business financially sound?

9. Project Team:

- Prepare a list of team members, including the project manager, subcontractors, other participants and cofunders involved in the project. Explain their roles and responsibilities. Describe qualifications and relevant experience or expertise.
- Identify any special facility, equipment or capability possessed by the project participants that is relevant to the project.

Criteria:

❑ Does the project team have the qualifications and resources needed to succeed?

11. Letters of Commitment or Support:

- If you are relying on any other organization or business to do some of the work, provide services or equipment, serve as a demonstration site, or share in the non-NYSERDA cost, include a signed letter from that organization or business (on their letterhead) describing their commitment (include cash/in-kind dollar commitment if applicable).

  Criteria:

  ❑ If applicable, do letters of support exist and do they reflect the level of involvement (e.g., co-funding, services, etc.) from the supporter(s)/partner(s)?

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OTHER CONSIDERATIONS

Proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: risk vs. reward relationships, potential for complementing similar ongoing or completed projects, the general distribution of NYSERDA projects among organizations, and the distribution of projects within New York State.

OTHER OPPORTUNITIES

NYSERDA has a number of programs available to New York State's industrial sector. More information can be found on our web site at www.nyserda.org or by calling 866-697-3732 (866-NYSERDA).

GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA 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 NYSERDA 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 NYSERDA 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 except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/nyserda.regulations.pdf. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - 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 NY 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, Albany, NY 12245.

State Finance Law sections 139-j and 139-k - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain new procurement lobbying requirements which can be found at http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html. The attached Proposal

Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of $100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. *See,* ST-220-TD (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220td_606_fill_in.pdf). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a perspective contractor prior to contacting and filed with NYSERDA. *See,* ST-220-CA (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220ca_606_fill_in.pdf). The Department has developed guidance for contractors which is available at http://www.tax.state.ny.us/pdf/publications/sales/pub223_606.pdf.

Contract Award - NYSERDA anticipates making multiple awards under this solicitation. Three due dates (rounds) are scheduled under this PON; all, or none, of the available funds could be allocated to projects selected from any one due date. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations. Each offer should be submitted using the most favorable cost and technical terms. NYSERDA may request additional data or material to support applications. NYSERDA will use the Sample Agreement to contract successful proposals. **NYSERDA expects to notify proposers in approximately ten weeks from the proposal due date whether your proposal has been selected to receive an award.**

Recoupment - For any new product development demonstration or commercialization projects requesting NYSERDA funding over $50,000, NYSERDA will require a royalty based on sales of the new product developed. NYSERDA's standard royalty terms are 1.5% of sales for products produced in New York State (for a period of fifteen years or until the Contractor pays NYSERDA an amount equal to the amount of funds paid by NYSERDA to the Contractor, whichever comes first) and 5% of sales for products produced outside of New York State (for a period of fifteen years or until the Contractor pays NYSERDA an amount equal to three times the amount of funds paid by NYSERDA to the Contractor, whichever comes first).

Limitation - This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA 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 NYSERDA'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 NYSERDA after the award of a contract, NYSERDA 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.

ATTACHMENTS

Attachment A: Proposal Checklist
Attachment B: Disclosure of Prior Findings of Non-responsibility Form
Attachment C: Contract Pricing Proposal Form (CPPF) and Instructions
Attachment D: Sample Agreement