DATA CENTER and SERVER EFFICIENCY
Program Opportunity Notice No. 1206

$3,000,000 Available for Two Rounds

PROPOSALS DUE: May 1, 2008 - 5:00 pm Eastern Time, Round 1*
November 13, 2008 - 5:00 pm Eastern Time, Round 2*

This New York State Energy Research and Development Authority (NYSERDA) Program Opportunity Notice (PON) 1206 seeks proposals to support the development and/or demonstration of innovative and emerging data center and server technologies. Preferred technologies are those that can increase end-use energy efficiency, reduce electric demand or are of strategic importance to New York State's energy, economic and environmental future. Two rounds are scheduled under this PON and total available NYSERDA funding is $3,000,000. All, or none, of the available funds could be awarded in either round. Examples of preferred technologies include, but are not limited to the following:

- Energy Efficient Computing Operation Technologies
- Innovative Data Center HVAC Systems
- Next Generation Equipment Cooling
- Energy Efficient Data Center Equipment
- Energy Efficient Methods of Power Conversion and Distribution
- Power Reduction Technologies for Server Loads or Data Storage Systems

Proposals must demonstrate the *energy and economic benefits* for these technologies. Proposals focusing on basic or fundamental research are *ineligible* for this program. Proposals for combined heat and power technologies for data centers are *ineligible* for this program, but should instead be applied to other NYSERDA's programs.

NYSERDA anticipates making multiple awards in the following categories. The funding will initially be allocated $2,000,000 total for categories A, B & C, $500,000 for category D and $500,000 for category E. The funding allocation between categories is only an estimate and may be subject to change depending on the quantity and quality of proposals received. Proposals in categories A, B &C will be evaluated as a single group. Proposals in category D & E will be evaluated within their respective categories.

Category A: Demonstration Projects ($300,000 maximum NYSERDA funding per project, with a preferred proposer cost share of 50%)
Category B: Product Development ($300,000 maximum NYSERDA funding per project, with a preferred proposer cost share of 50%)
Category C: Technology Feasibility ($150,000 maximum NYSERDA funding per project, with a preferred proposer cost share of 20%)
Category D: Market Development ($250,000 maximum NYSERDA funding per project, with a preferred proposer cost share of 10%)
Category E: Advanced Concepts Data Center Project ($500,000 maximum NYSERDA funding for a project, with a preferred proposer cost share of 50%) The intent of this category is to fund a demonstration project that combines best practices, energy efficiency and advanced concepts technologies to achieve a high level of energy efficiency in a large class system. Preference will be given to proposers willing to conduct technology transfer through efforts such as information sharing, hosting open house showcasing events and case studies.

Proposal Submission: The same proposal can not be submitted under multiple categories. Proposers must submit nine (9) copies of the proposal and one (1) electronic copy on compact disc (CD), each having a completed and signed Proposal Checklist attached to the front, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON No. 1206
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399

If you have any technical questions relating to this solicitation, contact Joe Borowiec at (518) 862-1090 ext. 3381, email jcb@nyserda.org Michael Razanousky at (518) 862-1090 ext. 3245, email mpr@nyserda.org or Sue Andrews at (518) 862-1090 ext. 3234, email sta@nyserda.org. Contractual questions should be directed to Nancy Marucci at ext. 3335, or at nsm@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting Joe Borowiec at (518) 862-1090 ext. 3381, email jcb@nyserda.org Michael Razanousky at (518) 862-1090 ext. 3245, email mpr@nyserda.org or Sue Andrews at (518) 862-1090 ext. 3234, email sta@nyserda.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 or proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or emailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. Prior to preparing proposal for round 2, proposer should contact NYSERDA regarding changes to solicitation. If changes are made to this solicitation, notification will be posted on NYSERDA's web site: www.nyserda.org.

I. INTRODUCTION

NYSERDA seeks proposals to support the development and demonstration of data center and server technologies that are moving towards commercialization. NYSERDA specifically seeks proposals that can increase end-use energy efficiency, reduce energy demand in New York State, or are of strategic importance to the State's energy, economic and environmental future. Program objectives are to provide energy, environmental and economic benefits in New York State as follows:

- **Energy benefits** - electricity savings, peak-demand reduction, or savings in other energy inputs
- **Environmental benefits** - reduced emissions, reduced waste byproducts
- **Economic benefits** - capital investment, creation or retention of jobs in New York State, and the creation and use of intellectual property

Projects considered under this solicitation may address areas already within the scope of existing NYSERDA projects or entirely new approaches to achieving NYSERDA's above stated energy, environmental and economic goals. Proposals may address technologies at varying stages of maturity, from feasibility assessments, through proof of concept and early product development, to field evaluation and market introduction.

II. PROGRAM REQUIREMENTS

Project Categories – Five categories of projects will be considered for funding. The funding will be allocated $2,000,000 total for categories A, B & C, $500,000 for category D and $500,000 for category E. The funding allocation between categories is only an estimate and may be subject to change depending on the types and quality of proposals received.

Category A: Demonstration Projects
Demonstration projects of an energy efficient data center or server technology, component and/or system. Project Statement of Work should be limited to a 18 month period. NYSERDA's share of funding for any project in this category will be limited to a maximum of **$300,000** with a preferred proposer cost share at or above 50%. Preference will be given to projects with demonstration sites willing to disclose participation. Demonstration must be at a site in New York State which pays the system benefits charge. Site must be identified in proposal and include either a letter of interest or commitment.

Category B: Product Development
Development projects of an energy efficient data center or server product. Project Statement of Work should be limited to a 18 month period. NYSERDA's share of funding for any project in this category will be limited to a maximum of **$300,000** with a preferred proposer cost share at or above 50%. Projects will be evaluated for economic development benefits for New York State manufacturing firms which pay the system benefits charge (such economic benefits must accrue other than through end use of the proposed technology). NYSERDA's standard recoupment, detailed elsewhere in this solicitation, applies to projects proposed under Category B..

Category C: Technology Feasibility
Technology feasibility studies, including, but not limited to preliminary studies such as conceptual design, technology and market assessments, and similar early-stage studies that are necessary precursors to ultimate product development and commercialization of technologies addressing needs of the New York State marketplace and having economic development benefits for New York State manufacturing firms which pay the system benefits charge. NYSERDA's share of funding for any project in this category will be limited to a maximum of **$150,000**, with a preferred proposer cost share of 20%. Project Statement of Work should be limited to a 12 month period.

Category D: Market Development
Educational workshops, seminars, training events, market assessments or other activities involved with knowledge sharing, technology transfer and market development of energy efficiency services addressing the New York State marketplace. NYSERDA's share of funding for any project in this category will be limited to a maximum of **$250,000** with a preferred proposer cost share of 10%. Project Statement of Work should be limited to a 12 month period.

Category E: Advanced Concept Data Center Project
A demonstration project of a large class energy efficient data center or server system utilizing a combination and integration of best practices and advanced concept technologies. Project Statement of Work should be limited to a 18 months period. NYSERDA's share of funding for any project in this category will be limited to a maximum of **$500,000** with a preferred proposer cost share at or above 50%. The intent of this category is to fund a demonstration project that utilizes a combination of best practices, energy efficiency and advanced concepts technologies to achieve a high level of energy efficiency in a large class system. Preference will be given to proposers willing to conduct technology transfer through efforts such as information sharing, hosting open house showcasing events and case studies. Demonstration must be at a site in New York State which pay the system benefits charge. Site must be identified in proposal and include a letter of commitment.

Project Scope – Projects selected for funding **should**:

- ❒ Address energy efficiency related challenges in New York State.

- ❒ Emphasize development, demonstration, or technology transfer of marketable products or services rather than basic research.

- ❒ Provide quantifiable energy, environmental, and economic benefits in New York State.

- ❒ Provide a summary discussion of the commercialization path appropriate to the stage of development of the proposed technology. Note that, even in early stage projects, initial projections of commercialization (or technology deployment) paths and challenges are essential to assessing benefits, risks, and future resource requirements.

- ❒ Provide cost-sharing by the proposer or third parties:
  - In the form of cash or in-kind labor, materials, equipment, facilities, and other resources, subject to reasonable and verifiable valuation. Co-funding may be from the proposer or other private or government sources. NYSERDA's funds cannot be used to reimburse or replace normal expenses of other government organizations.

  - A preferred **50%** of the total cost of the project for *Category A, B and E* projects, a preferred **20%** of the total cost of the project for *Category C* and a preferred cost share of **10%** for *Category D*. Category *B* projects will require recoupment. The quality of the proposer's co-funding is examined during the proposal evaluation process. Cash, labor, and materials are considered superior to other types of co-funding. The level of co-funding will be considered an indicator of the proposer's commitment to the success of the project and the type of co-funding offered should be appropriate for the proposer's financial condition and the product's stage of development (degree of risk).

- ❒ For product development projects (Category B), provide sharing of success by agreeing to make royalty payments to NYSERDA upon product commercialization (see terms and conditions in Article 8 of Attachment E, Sample Agreement.)

Project Schedule, Phasing and Teaming – The following guidelines should be considered when developing proposals:

- ❒ Projects are expected to begin, upon contract execution, which should occur within six months of the proposal due date. The project schedule should not exceed 12 months for Category C & D, 18 months for Category A, B & E.

- ❒ Teaming arrangements are encouraged, where appropriate, to enhance the likelihood of project success. Teams may include commercial firms, industry associations or research organizations, universities, government agencies, end-users, and other stakeholders. **Include letters of interest or commitment from each identified team member in an appendix to the proposal.**

Other Considerations – In addition, note that:

- ❒ A proposal may be considered **non-responsive** if it fails to comply with the requirements above, the Proposal Requirements of Section III, or the General Conditions of Section VI.

- ❒ Prior to an award or contracting with a successful proposer, potential contractors may be required to demonstrate: access to financial resources sufficient to perform the proposed work, technical experience and adequate facilities (or the ability to access them), a good performance record, and the ability to qualify for an award under applicable laws and regulations.

III. PROPOSAL REQUIREMENTS

Proposal should be limited to 20 pages or less, plus letters of interest or commitment in an appendix. Suggested page limits for each section are provided below in parentheses. State the category that you are proposing for. If you believe proprietary information must be submitted to present an adequate proposal, comply with the instructions in Section VI for submitting proprietary material. **Rigid bindings and other elaborate presentation material should not be used – a staple in the upper left corner is preferred.** Your goal as a proposer should be to concisely present the information needed to fully address the evaluation criteria (see Section V). Proposals that grossly exceed the page limits or fail to follow the format guidelines may be rejected as non-responsive.

Proposers must submit nine (9) copies of the completed proposal and one (1) electronic copy on compact disc (CD) to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, one of which must contain an original signature. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned.** Faxed or e-mailed copies will not be accepted.

Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the PON number, and the page number. The proposal must be in the following format and should present the items in the sequence indicated below.

Proposal Checklist – Complete the specific Proposal Checklist attached as part of this PON, and include it as the front cover of the original and each copy of the proposal.

Note the following:

- ❒ Indicate whether you accept the standard terms and conditions as contained in the attached Sample Agreement. If you do not accept the standard terms and conditions, provide alternate terms with justification based on the risk and benefit to NYSERDA and New York State.

- ❒ Be sure the individual signing the Proposal Checklist is authorized to commit the proposer's organization to the proposal as submitted.

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. (The text of the laws are available at: http://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, an additional form (or 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.

Proposal Sections – Sections of your proposal should be as follows:

1. **Executive Summary** (one to two pages) – Briefly summarize your proposal, emphasizing:
   - ❒ The technology or opportunity being addressed, and its significance to New York State.
   - ❒ Your proposed solution and how it will solve the problem.
   - ❒ A list of the project team members and their qualifications to do the work.
   - ❒ Benefits if the project is successful. Include an estimate of market potential and quantify the energy, environmental, and economic benefits to the extent possible.
   - ❒ User economics. Provide an estimate of the price of the product or service that eventually will be commercialized and the price(s) of relevant alternative products or services. Briefly explain the customer's economic motivation for buying the new product or service, versus alternatives.

2. **Problem Statement and Proposed Solution** (three to four pages) – Describe:
   - ❒ The technology-related problem or opportunity being addressed, and its significance to New York State.
   - ❒ Your proposed solution and how it addresses the problem or opportunity, its technical basis, innovative characteristics, and current stage of research and development.
   - ❒ Alternative solutions, and why your proposed solution is superior.

- ❒ If this proposal addresses a subsequent phase of a previously funded NYSERDA project, the results of the earlier phase(s) and current project status. Also, if appropriate, an estimate of future needs.

3. **Proposed Work Scope and Schedule** (three to four pages) – Provide:
   - ❒ Technical or performance goals for proposed product or system.
   - ❒ A list of major tasks to be accomplished and a three- or four-sentence description of each. Typical task titles may include, but are not limited to, the following: project management and reporting, requirements definition, preliminary design, fabrication, testing, final design, and demonstration. (Note: NYSERDA will expect to receive written progress reports and a final report, and have occasional project meetings, as part of the project management task. These activities should be considered when developing your cost estimates.)
   - ❒ The duration of the project and timing of major milestones, such as design reviews, test result reviews, completion of working prototypes, and the start of metrics reporting to NYSERDA, showing progress toward project objectives and goals.
   - ❒ If applicable, a brief description of additional phases, beyond the proposed work, that will be necessary to fully achieve commercialization, and their anticipated duration.

4. **Proposer Qualifications** (two to four pages, depending on team size) – Identify:
   - ❒ Proposer and any other team members and major subcontractors. Provide a chart showing the relationship between team members. (Note: Subcontracts of $15,000 or more are subject to competitive bid procedures except where the proposal identifies a specific subcontractor as an integral participant in the proposed work; see Sample Agreement).
   - ❒ Project Manager and other key individuals.
   - ❒ Qualifications of all entities named above, including relevant experience and references.
   - ❒ NYSERDA contracts awarded to the proposer, if any, in the past five years.

5. **Project Benefits** (two to three pages) – Outline benefits as follows:
   - ❒ **Quantify** the following direct benefits to New York State, for market development activities, try to address this as best as possible.

     Energy benefits - electricity savings, peak demand reduction, or savings in other energy inputs
     Environmental benefits - reduced emissions, reduced waste byproducts
     Economic benefits - capital investment, creation or retention of jobs in New York State, and the creation and use of intellectual property

   - ❒ **Identify** any other meaningful or tangible benefits.

   - ❒ **Describe** how the success of the project can be measured or verified, and how and for how long these metrics will be provided to NYSERDA.

6. **Commercialization or Technology Transfer Plan** (Two to three pages) – Describe how project results will be commercialized or technology transfer be deployed. Projects nearing a demonstration phase should have a detailed commercialization or technology transfer plan, whereas an early-stage concept should be accompanied by at least a rough outline of how the concept may ultimately be deployed. Cover the following topics:
   - ❒ **Project Timeline:** Provide a multi-year timeline (e.g., graph) showing the paths, activities, milestones, resources, timing to take the technology from its current state of development to commercial deployment, and cost sharing in relation to total costs.
   - ❒ **Marketing:** Identify target markets and their relevant characteristics, e.g., size, competition, trends (regulatory, technological, etc.); describe your proposed marketing strategies, explain why they should be successful, and provide sales estimates. Provide an estimate of the price of the product or service that eventually will be commercialized and provide a comparison of that price to competing products or services. Briefly explain the customer's economic motivation for buying the new product or service, versus alternatives.
   - ❒ **Design & Production:** Describe remaining technical development steps leading to start of manufacturing or deployment. Describe plans for setting up facilities for manufacturing or other deployment activities. Discuss any 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.
   - ❒ **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 and initial marketing and manufacturing/deployment programs. Identify potential funding sources and how those sources will be addressed. Identify any potential strategic partners who could reduce your costs by providing access to marketing/distribution channels, manufacturing facilities or other assets.

- ❒ **Organization Plan:** Describe staffing plans for transitioning from R&D stage to commercialization stage; include all organizational functions, such as management, administration, engineering, marketing/sales, and manufacturing.
- ❒ **Technology Transfer:** Describe any other actions to promote the new technology, such as the presentation of technical papers, development of case studies and/or information dissemination.

7. Budget – A Contract Pricing Proposal Form (CPPF), with associated instructions, is provided as Attachment C to this PON. **Each proposal must include a completed CPPF and also a cost-sharing table identifying the allocation of funding by task.** Use the following format (expand table as needed):

Cost-Sharing: It is preferred that projects contain non-NYSERDA funding of at least 50% of the total cost of the project for Category A, B & E projects, 20% preferred for Category D and 10% preferred for Category C. 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 pay for efforts which have already been completed**. The proposer or proposing team cannot claim as cost-share any expenses that have already been incurred. Show the cost-sharing plan in the following format:

PROPOSAL COST SHARING TABLE						
Proposed Funding By Task (Cash and In-Kind)					Project Total ($)	
Funding Source	Task 1 ($)	Task 2 ($)	Task 3 ($)	...	Cash ($)	In-Kind ($)
NYSERDA						
Proposer						
Co-Funder (identify)						
Co-Funder (identify)						
Task Total ($)						

Attach supporting documentation to explain indirect cost (overhead) rates included in your proposal as follows:

- ❒ 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).
- ❒ If rates are approved by an independent organization, such as the federal government, provide a copy of such approval.
- ❒ If rates are based on estimated costs or prior period actual results, include calculations to support proposed rates. Calculation should provide enough information for NYSERDA to evaluate and confirm that the rates are consistent with generally accepted accounting principles for indirect costs.

NYSERDA reserves the right to audit any indirect rate presented in the proposal and to make adjustment for such difference. Requests for financial statements or other needed financial information may be made if deemed necessary

8. Appendices – Include any resumes, company qualifications, or ancillary information which is deemed necessary to support your proposal. If appropriate, also include:

- ❒ **Letters of Interest or Commitment –** If you are relying on any other organization to do some of the work, provide services or equipment, or share in the non-NYSERDA cost, include a letter from that organization describing their planned participation. Also include letters of interest or commitment from businesses or other organizations critical to the future commercialization, demonstration, or implementation of the project. **Absence of letters of interest or commitment will be interpreted as the proposer not having support from the identified parties**.

- ❒ **Exceptions to the Terms and Conditions –** If you do not accept the standard terms and conditions (including the recoupment provisions) as contained in the attached Sample Agreement, provide alternate terms with justification based on the risk and benefit to NYSERDA and New York State.

IV. RECOUPMENT PROVISIONS

For product development projects under Category B requesting funding over $50,000, NYSERDA requires a royalty or other payment based on sales or licensing 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). Further information can be found in Attachment E, Sample Agreement, section VI, general conditions.

V. PROPOSAL EVALUATION

Proposals will be reviewed by a Technical Evaluation Panel (TEP) and will be scored and ranked according to the following criteria. After the proposals are reviewed, NYSERDA will issue a letter to each proposer indicating the proposal evaluation results. Proposers receiving favorable evaluations will be invited to enter into contract negotiations with NYSERDA. The proposer will be required to submit a detailed statement of work, budget, and schedule, and may also be asked to address specific questions or recommendations of the TEP before contract award.

Requirements – A **negative response** to any one of the questions identified below by a check mark **(✓) may eliminate** the proposal from further consideration. **Does the proposal:**

✓ Address energy efficiency-related challenges in New York State?
✓ Emphasize development, demonstration or technology transfer of marketable products or services rather than basic research?
✓ Provide direct and quantifiable energy, environmental, and economic benefits in New York State?
✓ Include a Commercialization Plan or Technology Transfer Plan?
✓ Address the cost-sharing requirements?

Evaluation Criteria for Category A, B, & C

1. Problem/Proposed Solution/Scope – How significant is the problem or opportunity? How pertinent is the problem or opportunity to New York State? Is the proposed project likely to solve the problem or exploit the opportunity? Is the proposed work technically feasible, innovative, and superior to alternatives? Is the work strategy sound?

2. Project Benefits – Will a significant part of the work on the project take place in New York? Will there be economic benefits in New York State in the form of subsequent manufacturing or technical service activity? How significant are the energy, environmental, and economic benefits to New York State? Are there additional significant benefits?

3. Proposer(s) – To what degree does the team have relevant and necessary technical and business background and experience? Does the team include a New York State business, thereby providing economic benefits in the form of jobs? How firm are the commitments and support from essential participants, cofunders, and related businesses and other organizations?

4. Project Schedule and Cost – Is the overall project schedule and cost justified based on the expected benefits? Relative to the project cost, how significant is the potential market or deployment opportunity? Is the implementation or commercialization strategy well-conceived and appropriate for the stage of development? How appropriate are the proposer's co-funding contributions (sources and amounts) with respect to the degree of risk, potential to benefit from the work, and financial status of the organization?

5. Other Considerations – Proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: risk/reward relationships, similar ongoing or completed projects, the general distribution of NYSERDA projects among industries and other organizations, and the distribution of projects within New York State.

Evaluation Criteria for Category D

1. Problem/Proposed Solution/Scope – How significant is the need or opportunity? How pertinent is the need or opportunity to New York State? Is the proposed project likely to address these needs and opportunities? Does the proposed strategy reflect an understanding of NYSERDA's targeted customer base? Is the proposed work innovative and a viable option? Is the work strategy sound and likely to produce results?

2. Project Benefits – Will there be direct benefits to customers and/or service providers in New York State? How significant are the energy, environmental, and economic benefits to New York State? Are there additional significant benefits?

3. Proposer(s) – To what degree does the team have relevant and necessary technical and business background and experience? Does the team include a New York State business, thereby providing economic benefits in the form of jobs? How firm are the commitments and support from essential participants, cofunders, and related businesses and other organizations? Does the team demonstrate recent experience in similar type projects? Does the team show a balance of technical, administrative, marketing and other expertise necessary to accomplish the project?

4. Project Schedule and Cost – Is the overall project schedule and cost justified based on the expected benefits? Relative to the project cost, how significant is the potential market or deployment opportunity? Is the implementation or analysis strategy well-conceived and appropriate for the New York State marketplace? How appropriate are the proposer's co-funding contributions (sources and amounts) with respect to the degree of risk, potential to benefit from the work, and financial status of the organization?

5. Other Considerations – Proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: risk/reward relationships, similar ongoing or completed projects, the general distribution of NYSERDA projects among industries and other organizations, and the distribution of projects within New York State.

Evaluation Criteria for Category E

1. Proposed Project/Level of Energy Efficiency – How significant is the energy efficiency improvement or opportunity? How are best practices and advanced concepts utilized to obtain this efficiency level? Is the proposed project likely to be utilized in other applications? Is the proposed work technically feasible, innovative, and superior to alternatives? Is the work strategy sound?

2. Project Benefit/Technology Transfer – Will a significant part of the work on the project take place in New York? Will there be economic benefits in New York State in the form of subsequent manufacturing or technical service activity? How significant are the energy, environmental, and economic benefits to New York State? Are there additional significant benefits? Is proposer and demonstration site willing to provide dissemination of information and technology transfer through hosting of open house showcasing events, seminars, journals and other similar efforts.

3. Proposer(s) – To what degree does the team have relevant and necessary technical and business background and experience? Does the team include a New York State business, thereby providing economic benefits in the form of jobs? How firm are the commitments and support from essential participants, cofunders, and related businesses and other organizations? Does the team enable provide total product and service offerings that have potential for wide impact?

4. Project Schedule and Cost – Is the overall project schedule and cost justified based on the expected benefits? Relative to the project cost, how significant is the potential market or deployment opportunity? Is the implementation or commercialization or technology transfer strategy well-conceived and appropriate for the stage of development? How appropriate are the proposer's co-funding contributions (sources and amounts) with respect to the degree of risk, potential to benefit from the work, and financial status of the organization?

5. Other Considerations – Proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: risk/reward relationships, similar ongoing or completed projects, the general distribution of NYSERDA projects among industries and other organizations, and the distribution of projects within New York State.

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 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
Albany, NY 12245

State Finance Law sections 139-j and 139-k
NYSERDA is required to comply with State Finance Law sections 139-j & 139-k. State Finance Law §139-j(6) requires that NYSERDA incorporate a summary of its policy and prohibitions regarding permissible communications during a covered procurement.

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between NYSERDA and a Proposer/Offerer during the procurement process. A Proposer/Offerer is restricted from making contacts from the earliest notice of intent to solicit offers [such as a “Program Opportunity Notice”, “Invitation for Bid” or “Request for Proposal”, etc.] through final award of the Procurement Contract (the “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, are identified on the first page of this solicitation.

NYSERDA employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Proposer/Offerer pursuant to this law. 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/Offerer is debarred from obtaining governmental Procurement Contracts.

Additional guidance regarding these procurement lobbying requirements and can be found at http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html.

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. 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 Attachment F, Sample Agreement to contract successful proposals. NYSERDA expects to notify proposers in approximately ten (10) weeks from the proposal due date whether your proposal has been selected to receive an award.

Recoupment - For any product development 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.

VII. ATTACHMENTS

Attachment A - Proposal Checklist
Attachment B - Disclosure of Prior Findings of Non-Responsibility Form
Attachment C - Contract Pricing Proposal Form and Instructions
Attachment D - Statement of Work Outline
Attachment E - Intent to Propose Form
Attachment F - Sample Agreement