



Early Stage Support for Developers of Renewable and Clean Energy Technologies Program Opportunity Notice (PON): 1216

\$5,750,000 Available
PROPOSALS DUE: October 1, 2008
5:00 pm Eastern Time*

The New York State Energy Research and Development Authority (NYSEERDA) Program Opportunity Notice (PON) 1216 seeks proposals to create sustainable support networks and infrastructure for early stage companies. The support targets an emerging market with specific needs – early stage renewable and clean energy technology companies and entrepreneurs -- and provides them with critical opportunities to facilitate partnerships and develop or market products.

Category A: Early Stage Business Support seeks proposals for all forms of support such as: 1) traditional business assistance services including referrals to investors or assistance with business plan development; 2) the facilitation of workshops, webinars and networking opportunities or other events; and, 3) providing early-stage companies with individualized, one-on-one technical, financial and business consulting. *Category B: Early Stage On-Site Business Support* may include any of the activities in Category A. In addition, Category B proposers must also provide on-site resources traditionally available from existing academic or other incubators. *Category C: Analytical Support for the Early Stage Business Assistance Program and Establishment of NYS Clean Energy Alliance* will provide services to NYSEERDA including activities to create a network among New York's renewable energy/clean energy incubators and business assistance companies, third-party program evaluation, tracking of activities, and reports containing recommendations.

NYSEERDA has a total of \$5,750,000 available under this PON and plans to award multiple four-year contracts in the following categories: up to \$750,000 for projects in *Category A: Early Stage Business Support*, up to \$4,500,000 for projects in *Category B: Early Stage On-Site Business Support*, and up to \$500,000 for projects in *Category C: Analytical Support for the Early Stage Business Assistance Program and Establishment of NYS Clean Energy Alliance* however, NYSEERDA reserves the right to adjust these funding allocations depending on the quality and quantity of proposals received.

The maximum award per project will be \$250,000 of NYSEERDA funds for Category A, \$1,500,000 for Category B, and \$500,000 for Category C. Cost-sharing by proposers to Categories A and C is not required. For Category B, cost-sharing is required; at least 25% cost-sharing is desired. Leveraging of other funding for all proposals is strongly encouraged. In-kind cost-sharing is acceptable.

Proposers to Categories A or B must choose to apply to either A or B. Proposers to Category C may also submit a separate proposal to either A or B; however, the Category C awardee must remain an independent third-party evaluator, and therefore may not also receive funds from a Category A or B award. For each proposing team, only one proposal will be accepted in each category. Each category will be ranked separately. One or more contractors may be selected in each category, though it is anticipated that only one awardee will be chosen in Category C. (For more detail, see section II, Program Requirements.)

PROPOSAL SUBMISSION:

Proposers must submit one (1) original and seven (7) copies of the proposal (8 total), with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature, clearly labeled and submitted to:

Roseanne Viscusi, PON No. 1216
NYSEERDA
17 Columbia Circle
Albany, NY 12203-6399

If you have **technical questions concerning this solicitation, contact Judy Jarnefeld** at (518) 862-1090, ext.3293 or jj1@nyserda.org. If you have **contractual questions concerning this solicitation, contact Nancy Marucci** at (518) 862-1090, ext. 3335 or nsm@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting Judy Jarnefeld (Designated Contact) at (518) 862-1090, ext. 3293 or jj1@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 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 other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.org.

I. INTRODUCTION

GOALS AND OBJECTIVES

Strategies are needed to create an entrepreneurial climate for renewable and clean business start-ups that will help them grow quickly, form technology clusters, and locate or remain in New York State. Early stage support to these companies can take many forms. For example, New York is currently home to over 50 incubator facilities that are helping to encourage the development of new businesses and foster local economic development. In addition, the Centers of Excellence at universities across New York support high technology ventures through a collaboration among the State, academia, private venture capital companies, and other private and public sector entities.

The goals of the program are to reduce the barriers to entry for renewable and clean energy technology business start-ups, and to invest in technically talented people, enabling them to build entrepreneurial growth companies. To meet these goals, the New York State Energy Research and Development Authority (NYSERDA) seeks proposals to create sustainable support networks and develop infrastructure for early stage companies.

This PON targets an emerging market with specific needs – early stage renewable and clean energy technology companies and entrepreneurs -- who need more opportunities to facilitate partnerships, develop or market products, and network with others effectively. The support this PON provides will help new entrepreneurs obtain access to nearly all of the resources – capital, technology, mentoring, and customers – needed to build a successful new business.

PROPOSAL CATEGORIES A, B and C

(See list of project activity examples below):

Proposers **must** identify the category to which their proposal belongs; each proposal will only be considered for one category. Proposers to Categories A or B must choose to apply to **either** A or B. Proposers to Category C may also submit a separate proposal to either A or B. Each category will be evaluated separately.

Category A) *Early Stage Business Support*

- May include all forms of business support for developers of renewable and clean technologies.

Category B) *Early Stage On-Site Business Support*

- May include any of the activities described in the Category A project activity examples. In addition, Category B proposers **must** provide on-site resources traditionally available via existing academic or other incubators.

Category C) *Analytical Support for the Early Stage Business Assistance Program and Establishment of NYS Clean Energy Alliance*

- Services to NYSERDA including networking activities to form an alliance among New York's renewable energy/clean energy incubators and business assistance companies, third-party program evaluation, tracking of activities, and preparing reports containing recommendations on program improvement.

EXAMPLES OF PROJECT ACTIVITIES:

Note: The following examples are meant to illustrate possible project topics, and are not intended to be all-inclusive. Please contact Judy Jarnefeld at jj1@nyserda.org, or (518) 862-1090 ext. 3293 if you are unsure whether your concept is eligible for this funding opportunity. Proposers may also wish to explore other NYSERDA funding opportunities. See www.nyserda.org/funding/funding.asp for further information regarding specific requirements and eligibility for NYSERDA's other current and upcoming funding opportunities.

Example Project Activities in Category A, "Early Stage Business Support":

Category A proposals to provide business assistance to early stage renewable and clean energy technology companies may include activities such as:

- Developing criteria and protocols to determine who will be assisted, how due diligence will be performed to verify client claims regarding product performance, how assistance to clients will be prioritized, what tiers of service will be made available, to whom and for what fees (if any), how assistance will be modified as clients progress, and the exit strategy for ending assistance to those who no longer need it;
- Developing a formal process to track and measure success of clients after they no longer need assistance. For example, assistance would end because they have sufficient revenues or jobs, were acquired, or received venture funding;
- Defining client participation requirements. For example, clients may be required to pledge to: 1) meet with the proposer periodically to assess whether milestones are being achieved, 2) attend business courses, 3) maintain open book accounting, or 4) continue to provide updated information after assistance is no longer needed;
- Providing traditional business assistance services such as referrals to investors, manufacturers, mentors, or trade associations, or assistance with business plan development;
- Designing, organizing and managing workshops, webinars and networking opportunities or other events;
- Providing early-stage companies with individualized, one-on-one technical, financial and business consulting;
- Developing activities that will increase project awareness: for example, create promotional or web-based information materials specific to early stage renewable and clean energy product developers;
- Developing and marketing an outreach plan to encourage new companies to locate in New York;

- Developing and implementing strategies to guide companies through NYSERDA’s existing product development funding opportunities;
- Developing and implementing a training plan and/or tools for product developers such as a comprehensive informational guide that includes technical aspects of product development, unique circumstances with renewable and clean energy technologies, how to market their product to prospective clients, etc.;
- Coordinating training sessions with forums that product developers regularly attend;
- Developing and implementing strategies to create a long-term program that is sustainable after the NYSERDA funding for the project ends (e.g. professional development for incubator staff); or,
- Developing and implementing metrics and strategies to measure success of the project (e.g. keeping in touch with former clients and collecting information from them).

Example Project Activities in Category B, “Early Stage On-Site Business Support”:

Category B proposals may include any of the activities in Category A. In addition, Category B proposers **must provide** business assistance to early stage renewable and clean energy technology companies in the form of **on-site resources** traditionally available from existing academic or other incubators, such as:

- Low-cost space for offices, labs, or manufacturing development;
- Administrative support services such as shared office and internet resources;
- Technical, management, marketing, financing, human resources and hiring assistance (including interns), either from on-site staff or off-site consultants such as grant writers, market researchers, accountants, software technicians, engineers or designers;
- A spectrum of technical support from minimal to in-depth, including:
 - intellectual property assessment,
 - design assessment,
 - product concept development,
 - evaluation of promising prototypes,
 - product performance testing,
 - identifying market potential and key customers,
 - developing potential product distribution strategies,
 - evaluating product life-cycle performance;
- Legal and patent support, including regulatory compliance, intellectual property, licensing and copyright advice, and overall deal negotiation and structuring;
- Laboratory testing services, machine shop services, or shared equipment; or,
- Strong links to outside resources such as research laboratories, established manufacturers or universities (e.g. interns, lab technicians, databases, alumni contacts, technology transfer offices).

Example Project Activities in Category C, “Analytical Support for the Early Stage Business Assistance Program and Establishment of NYS Clean Energy Alliance”:

Category C proposals, which are intended to provide services to NYSERDA, may include the following types of activities:

- Tracking and evaluating activities in the program created by NYSERDA projects selected from Categories A and B such as:

- The number of and type new start-up companies at varying stages in the commercialization process that are provided assistance, including those attending workshops or provided individual help;
 - The number of assisted companies that subsequently apply to NYSERDA for product development assistance;
 - The number of jobs created at start-up companies that were provided assistance;
 - The number of products developed, patents filed, grants received, business plans completed, or introductions to potential partners made at start-up companies that were provided assistance;
 - Potential new renewable and clean energy technology companies identified and/or brought to New York;
 - Participation and interest in the program demonstrated by attendance at training opportunities, web usage of resources, etc.;
 - Revenue totals, capital raised, and leveraged funding among companies assisted;
 - The number of companies that became self-sufficient after assistance was received;
 - The “dropout rate” for companies that decided to disband after receiving assistance;
 - Current hurdles faced by companies that received past assistance; and/or,
 - Other indicators of a proposer’s success or failure at meeting the goals and objectives of the program.
- Surveying or otherwise determining effects or trends that may be difficult to quantify and/or attribute directly to this program, but that could indicate success to New York (e.g., growth of technology business clusters or an improved climate for high-tech entrepreneurs);
 - Developing other surveys or mechanisms that may help direct future NYSERDA efforts (e.g., surveys to measure: client satisfaction, time spent assisting individual companies, ratio of clients to staff across NYSERDA projects, etc.);
 - Researching other similar programs nationwide and relate lessons learned from them to this program;
 - Providing a third-party evaluation of program successes and failures (e.g. through interviews with the Category A and B awardees) and communicate the progress of the program to NYSERDA;
 - Providing recommendations on how NYSERDA can optimize and improve this program to better provide assistance to early stage companies as well as integrate with NYSERDA’s other programs;
 - Providing recommendations on how the academic community can better provide assistance to help would-be entrepreneurs develop business skills; or,
 - Establishing a New York State Clean Energy Incubator Alliance to help renewable and clean energy incubators and business assistance companies in New York network and coalesce into a powerful tool to help the industry grow. Model it after the Clean Energy Alliance, a national organization composed of incubators dedicated to support for clean energy businesses described at: <http://www.cleanenergyalliance.com/>

II. PROGRAM REQUIREMENTS

WHO MAY PROPOSE

- Proposers are **encouraged to form teams** when appropriate to meet project goals. Teams may consist of experts in management, marketing, finance, human resources, grant writing, accounting, law, engineering, design, renewable or clean energy technologies, data analysis, professional training, or outreach; commercial companies; government organizations; universities; research organizations; industry associations; product or component manufacturers, or other stakeholders.
- **Lead proposers to Category B must** have a physical New York State address and on-site resources for use by New York renewable and clean energy companies. Category B proposers **must** describe in the Executive Summary how those resources are appropriate for incubation purposes (e.g. conference rooms, communication systems, library, flexible leasing arrangements, flexible infrastructure to house varying numbers of clients or diverse technologies.) If the proposal is selected for funding, the lead proposer will enter into an Agreement with NYSERDA as NYSERDA's contractor.
- The **lead proposer for Category A or C proposals could be any** organization responsible for successful completion of the project. If the proposal is selected for funding, the lead proposer will enter into an Agreement with NYSERDA as NYSERDA's contractor.
- Include **letters of commitment** from each team member in an appendix to the proposal.

Proposers must:

- Address **support for early stage** renewable and clean energy technology developers. Support for product development companies should be emphasized, though support for service companies (e.g. traditional wind or solar installation businesses) is allowed.
- **Identify the category** to which their proposal belongs, as follows:
 - Proposers to Categories A or B must choose to apply to **either** A or B.
 - Proposers to Category C may also submit a separate proposal to either A or B; however, the Category C awardee must remain an independent third-party evaluator. Therefore, they may not also receive funds from a Category A or B award.
 - For each proposing team, only one proposal will be accepted in each category.
 - One or more contractors may be selected for award in each category, though it is anticipated that only one awardee will be chosen in Category C.
 - Each category will be evaluated separately, and each proposal will only be considered for one category.

Questions about the Categories?

Q: I am not eligible to submit to B, but I have a team member who is. I am the Lead Proposer. May I submit to B?

A: No. The lead proposer must be eligible to propose to B. You and your team may submit a proposal to A.

Q: I am eligible to submit to B. May I submit to A?

A: Yes. Proposers eligible to propose to B may choose to submit to A instead of to B.

Q: May I submit one proposal to A and another to B? What if the two proposals differ in scope?

A: No. Proposers may submit to A or B but not both. You must choose between A and B.

Q: I'm not sure if my proposal fits best in A or B. Will NYSERDA choose which category is best? Will it be evaluated in both categories?

A: No. Proposers must identify a category. Choose the one that fits best. Each proposal will be evaluated in only one category.

Q: May I submit one proposal to A and another to C?

A: Yes. Likewise, proposers eligible to propose to B may also submit one to B and one to C.

Q: May I submit more than one proposal to A if each proposal has a unique scope?

A: No. Proposers may not submit more than one proposal per category.

Q: May I belong to more than one proposing team?

A: Yes, you may be a subcontractor on the proposing team in as many proposals as you like.

Q: I plan to submit one proposal to A and another to C. If I am selected for an award under both A and C, may I receive two awards?

A: No. If that occurs, you will be notified and given a choice as to which award you prefer to receive. Likewise, proposers selected under both B and C will be given a choice.

Q: I'm interested in proposing to B. What are the major differences in proposal B requirements from A and C?

A: In summary, Category B proposals must have a lead proposer with a physical site based in New York. You must describe how your on-site resources are appropriate for incubation purposes. The tasks in the statement of work must make use of those on-site resources. The proposing team must include a well-qualified incubator director. A Milestone Payment Plan with payments that are based on client success is required. Cost-sharing is required in Category B (25% cost-sharing is preferred). Category B proposers are also encouraged to document their revenue sources.

Proposers must: (continued)

- Include **best practices** benchmark and protocol tasks in the proposal, as applicable. Comprehensive Best Practices guides have been prepared by the National Business Incubation Association and others. The National Business Incubation Association can be found at: http://www.nbia.org/resource_center/best_practices/index.php and their report, "Best Practices in Business Incubation," can be found at: http://www.marylandtedco.org/_media/pdf/tedcoprograms/NBIA_BestPracticesReport.pdf
- Include tasks in the proposal to develop a **marketing plan** to define the clients for the proposed work and how they will be reached and attracted to the services provided. (Category C proposals may define clients as potential members of a New York State Clean Energy Incubator Alliance)
- Include **client selection and assistance** tasks in the proposal that define the criteria and protocol for how clients will be selected or rejected; how due diligence will be performed to verify client claims regarding product performance; how assistance to clients will be prioritized; what tiers of service will be made available to clients with

differing needs, to whom and for what fees (if any); how assistance will be modified as clients progress; and the exit strategy for ending assistance to those who no longer need it. Quantify the number of hours expected to be spent working directly with clients. (Categories A and B only)

- Define specific **deliverables** to be met at the completion of each task.
- Include tasks in the proposal to develop and implement strategies to **measure success** of the project. Specify performance goals.
- Include tasks in the proposal to plan and develop a **New York State Clean Energy Alliance**. (**Category C proposals only**)
- Submit a **per-task cost table**. It is anticipated that projects will be paid on a performance basis as per-task deliverables are met.
- Submit a proposed **Milestone Payment Plan** with performance payments based on client success. (**Category B proposals only**)
- Address a **four year timeline** for the proposed work that includes annual progress reviews. Your proposal may address a longer timeline, as appropriate.
- **Justify capital expenditures**, if any are proposed. Capital expenditures specific to the proposed scope are preferred to more general capital investments such as new office space.
- Include tasks in the proposal to develop and implement strategies to **create a long-term program** that is sustainable after the NYSERDA funding for the project ends. Preference will be given to material and projects that demonstrate their usefulness over the long term. Creative approaches to sustaining the support beyond the timeline of individual project activities are encouraged. The successful proposer(s) will present a convincing plan to establish a program that is capable of becoming self-sustaining without additional NYSERDA support. Sustaining funds could be generated through mechanisms such as Intellectual property broker fees, membership fees, space rental, payment for services, equity in new businesses, endowments, and/or public and private grants.
- Provide **cost sharing as appropriate**:
 - 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.
 - Cost-sharing by proposers for Categories A and C projects is not required, however leveraging of other funding is strongly encouraged.
 - Cost-sharing by proposers for Category B projects is required; at least 25% is desired. Leveraging of other funding is strongly encouraged. In-kind cost-sharing is acceptable.
 - NYSERDA's share of funding for Category A projects will be limited to a maximum of **\$250,000** per project.

- NYSERDA's share of funding for Category B projects will be limited to a maximum of **\$1,500,000** per project.
 - NYSERDA's share of funding for the Category C project will be limited to a maximum of **\$500,000** per project.
 - Proposals **must** provide value to NYSERDA commensurate with funding requested. The amount of funding requested will be considered for overall reasonableness with respect to meeting project objectives.
 - 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 type of co-funding offered should be appropriate for the proposer's financial condition and the stage of development of the proposed work (degree of risk). The level of co-funding will be considered an indicator of the proposer's commitment to the success of the project.
- Work must include coordination with NYSERDA Contractors as directed, or where appropriate, other entities such as New York and out-of state venture capital and angel funding networks or incubators.
 - In addition, proposers are encouraged to identify and emphasize, as appropriate, other innovative and effective approaches, strategies, and tools that support the goals and objectives of this program.

Other Considerations:

- A proposal may be considered **non-responsive** if it fails to comply with the requirements above, the Proposal Format of Section III, or the General Conditions of Section V.
- Before an award is made, potential contractors may be required to demonstrate: access to financial resources sufficient to perform the proposed work, appropriate 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

Format - Your goal as a proposer should be to **concisely** present the information needed to fully address the objectives and evaluation criteria (see Section I and IV).

Proposers must submit one original and seven copies (total of 8) of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice/Request for Proposal. 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 be not be accepted.

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. Double-sided copies fastened with a simple staple are preferred. Each page of the

proposal should state the name of the proposer, the PON number, the Proposal Category (A, B or C) and the page number. The proposal must be in the following format:

Proposal Checklist - Complete and sign the Proposal Checklist attached to this PON, and include it as the front cover of 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, be prepared to provide alternative terms with justification based on the risk and benefit to NYSERDA and New York State.
- Be sure the individual signing the 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, 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.

1. Executive Summary - Briefly summarize your proposal emphasizing the following:

- The problem or opportunity and its significance to New York State.
- Your proposed approach and how it will address the problem or opportunity and the Program Requirements in Section II, any innovative characteristics, and current stage of development.
- Alternative approaches, and why your proposed approach was selected. Include assumptions.
- Benefits if the project is successful. Quantify the benefits to the extent possible.

The executive summary should be no more than two or three pages in length. Please put the bulk of your effort into fully describing each task in the Statement of Work.

2. Statement of Work - Provide the following:

The Statement of Work (SOW) is the primary document that outlines work activities and required performance for payment by NYSERDA. It is an action document that specifically delineates each step or procedure required to accomplish the project objectives. Therefore, each action shall be identified, indicating who will perform it, how it will be performed and its intended result. Be clear and specific; concentrate on "how" and not "why". Include quantifiable milestones as deliverables where possible.

You may use the following Statement of Work outline as the basis for your Statement of Work and expand or modify it as necessary to fit your project and provide additional information.

The Statement of Work must be structured as an ordered set of tasks as follows:

Introduction: Briefly and clearly state the overall technical and performance goals of the project.

TASK 1: PROJECT MANAGEMENT

Subtask 1.1: Project Manager

The Contractor shall assign [insert name] as project manager who will be responsible for communications with NYSERDA and coordination of all project personnel, subcontractors, schedule, budget, and reporting. [Name] shall serve as the coordinator between all project participants, including coordination of written progress reports, conference calls, project review meetings, and other developments.

Subtask 1.2: Project Management Meetings

[At a minimum, plan a kickoff meeting and a wrap-up meeting. Consider annual meetings, as appropriate. Identify parties to participate at each meeting.] The Contractor shall arrange the kickoff meeting with NYSERDA and [name other parties as appropriate] to discuss project scope and objectives, as well as interim goals. The Contractor shall prepare a meeting agenda (in advance), take minutes, and describe key meeting results in the monthly and final reports. The Contractor shall arrange a wrap-up meeting during the last month of the project, and invite all participants and other key individuals who become involved in the project in the interim.

Subtask 1.3: Subcontractor Coordination (If applicable)

The Contractor shall... [State how activities will be coordinated between the proposer and any partners or subcontractors, and NYSERDA. A discussion of subcontracting arrangements should also be included.]

Subtask 1.4: Reporting

Monthly Reporting

The Contractor shall prepare and submit monthly reports describing the progress of the project. Copies of the monthly progress report shall be submitted to NYSERDA's Project Manager. The Monthly Progress Reports shall be in the following letter format:

- *Title of project*
- *Agreement number*
- *Period of this report*
- *Progress during reporting period*
- *Planned progress in the future*
- *Identification of problems*
- *Planned solutions*
- *Ability to meet schedule and reasons for slippage in schedule*
- *Schedule -- percent completed and projected*
- *Analysis of actual costs incurred in relation to the budget.*

It is understood and agreed that NYSERDA and the Contractor are sharing the costs for the project work to be performed [if applicable] and that the cost share identified in the Contractor's proposal and budget shall be readily available as described therein. Any change of cost share by the Contractor shall be subject to the prior written approval of NYSERDA. Such approval shall not be unreasonably withheld. NYSERDA reserves the right to limit the amount of progress payment made in any reporting interval to an amount commensurate to the documented cost share incurred.

Annual Progress Report

The Contractor shall prepare and submit an Annual Progress Report to NYSERDA's Project Manager that: 1) documents results to date, measured against deliverables and milestones; 2) briefly summarizes activities and best practices that have been used to advance the project; and, 3) details guidance for subsequent years, including refinement of milestones for the remaining years of the project. NYSERDA's Project Manager will use the results in the Annual Progress Report as a basis for deciding whether to continue each year of the four-year project for another year. [Category B only: The Contractor shall not bill NYSERDA for more than one-fourth of the project funds annually.]

The Contractor shall be prepared to present the Annual Progress Report at the NYSERDA Albany offices, if directed to do so by NYSERDA's Project Manager.

Final Report

The Contractor shall prepare and submit a final report, consistent with Exhibit F of the Sample Agreement, documenting the results of the entire project, including all deliverables identified in the tasks, and a brief description of all methods, analyses, recommendations, and results. (The length of the final report is targeted to be 50 pages or less.)

- 1) At least one outline shall be given to NYSERDA for review.
- 2) A first draft of the final report shall be given to NYSERDA for technical review, with at least 30 days allowed for review.
- 3) A second draft of the final report shall be prepared, which conforms with the "Report Format and Style Guide" (the Guide contained in Exhibit C of the Agreement). The second draft shall address or incorporate questions and comments resulting from review of the first draft. The second draft shall be given to NYSERDA for technical review follow-up and for format review, with at least 30 days allowed for review.
- 4) A copy of the final report, in compliance with Exhibit C, shall be submitted to NYSERDA's Manager of Technical Communications, which adequately addresses NYSERDA's comments.

Deliverables:

Monthly and annual progress reports

Meetings: arrangements, agenda, minutes

Final Report: Outline, first draft, second draft

Task 2, 3, 4, etc: Training, Marketing, Surveying, et al Tasks (as appropriate)

Add as many tasks and subtasks as necessary to cover all actions needed to achieve the goals and objectives of your project. Arrange your tasks logically and elaborate on the details of each one. Be specific as to who will perform the work, when, where, and how. Begin each task description with "Task 'X': Title, The Contractor shall.. (do such and such)." Fully detail tasks such as: researching best practices, planning, developing protocols, audience definition, client selection criteria, outreach, monitoring, data collection, analysis, training sessions, marketing plans, rights to data or other materials, obtaining resources to sustain the project beyond the funded timeline, or other tasks necessary as appropriate to fulfill the research design. You **must** include one or more task deliverables for each task. Task deliverables should be specific and designed to be met at task completion. Measure benefits of the project, as appropriate. Identify and quantify **performance targets**. These are the means by which near-term success of the overall project will be measured, evaluated, and verified against the project's goals and objectives. These targets should relate to specific project objectives, tasks, and deliverables, and should be measured by completion of the project.

Task 2, 3, 4, etc. deliverables:

For each task, delineate one or more specific deliverables to be met at task completion. (Required)

3. Proposed Schedule – Provide the following: (one page is suggested)

- Present a realistic schedule, with a starting point and duration for each task and subtask in the Statement of Work, preferably in a bar chart. Identify critical path items and timing of major milestones. At a minimum, the schedule must describe four years of activities.

4. Proposer Qualifications - Identify the following:(*one to five pages is suggested, depending on number of team members*)

- Proposer and any other team members and major subcontractors. Provide a chart showing key roles and responsibilities, and the relationship between team members.
- Project Manager and other key individuals, including Boards of Directors or Advisory Board members, if any.
- Category B proposals **must** identify an incubator director who will be responsible for running the day-to-day operations of the incubator. Previous director experience running business incubators and working with business start-ups, formal business training, a personal entrepreneurial background involving business start-ups, and experience teaching business skills to others are highly desired.
- Qualifications of all businesses, organizations, and individuals named above, including relevant experience and references. Provide actual examples of team members' relevant past work or entrepreneurial background. A demonstrated track record of working successfully with entrepreneurs, inventors, investors, funding agencies, and/or regional development agencies is highly desired. To the extent possible, provide historical data on the success/failure rate of companies assisted in the past. Describe the team's track record for staff retention.
- NYSERDA contracts awarded in the past five years, if any.

5. Budget - Provide the following:

- **Contract Pricing Proposal Form (CPPF) - [The CPPF, with associated instructions, is provided as an attachment to this PON. Each proposal must include a completed CPPF. Additional CPPF formats are available at: <http://www.nyserda.org/Funding/stdforms.asp>]**

Attach supporting documentation to outline indirect cost (overhead) rate(s) included 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 a rate is approved by an independent organization, such as the federal government, provide a copy of such approval.
3. If a rate is based on estimated costs or actual results from the prior reporting period, include calculations to support the proposed rate. 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 adjustments for any difference between the proposed and actual rate. Requests for financial statements or other needed financial information may be made if deemed necessary.

- **Per-Task Cost Table (required)** Proposers **must** submit one table indicating both:
 - 1) the total expenditures for each task in the Statement of Work, and
 - 2) the percent of total effort for each task.
 It is anticipated that projects will be paid on a performance basis as per-task deliverables and overall performance targets are met.

- **(Category B only) Milestone Payment Plan [required]** Category B proposers **must** propose a milestone payment plan. While it is expected a certain amount of funding may need to be allocated in year one to design and implement the program (e.g. capital expenditures), Category B proposers are encouraged to structure the milestone payment plan such that the majority of budgeted funds are allocated to performance milestones based on client success, rather than milestones based on per-task expenditures. Therefore, it is expected the timing and amount of each payment in the proposed Milestone Payment Plan will not match the timing and amount of the anticipated expenditures outlined in the Per-Task Cost Table.

- **Cost Sharing Table** - Cost-sharing by proposers for Categories A and C projects is not required. **Cost-sharing by Category B proposers of at least 25% is desired. Leveraging of other funding is strongly encouraged. In-kind cost-sharing is acceptable. 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 that have already been undertaken. 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 (expand table as needed):

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

6. Appendix

- **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, or share in any non-NYSERDA cost, include a letter from that organization or business describing its commitment. Also include letters of commitment or support from businesses or organizations critical to the future commercialization, demonstration, or implementation of the project. **Absence of letters of commitment or support will be interpreted as the proposer not having commitment or support from those parties.**

Category B projects are encouraged to obtain a letter of commitment that documents their access to on-site resources.

Proposers are encouraged to obtain letters of support that document accessibility and strong links to entrepreneurs, researchers, the investment community, community resources in the surrounding geographical region (landlords, law firms, accountants, bankers, boards of directors...) or other external resources such as research laboratories,

established manufacturers or universities (e.g. interns, lab technicians, databases, alumni contacts, technology transfer offices). Evidence of an existing referral database useful to clients is also encouraged.

- Category B projects are encouraged to document the number and diversity of their revenue sources.
- **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. PROPOSAL EVALUATION

Proposals will be reviewed by a Technical Evaluation Panel (TEP) and will be scored and ranked according to the following criteria. Each category will be evaluated separately.

EVALUATION CRITERIA FOR ALL CATEGORIES

- **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 the Program Requirements in Section II?
- ✓ Include the required Per-Task Cost Table?
- ✓ Include a Cost-Sharing Table with supporting documentation (required for Category B only)?

- **Overall**

- What is the likelihood of the proposal achieving its stated goals?
- Have the risks been identified and addressed?
- How well does the proposer understand the project?
- Is the proposed project likely to be the best approach to exploit the opportunity?
- Is the proposed work technically feasible, innovative, and superior to alternatives?
- How well did the proposer address best practices?
- Does the proposal present a convincing plan to create a successful long-term program after NYSERDA funding ends?

- **Proposer or Proposing Team**

- Is the project's organizational structure appropriate and does it include a single lead proposer responsible for managing all aspects of the project and ensuring project success?
- **(Category B proposals only)** Does the lead proposer have the required physical New York State address and on-site resources for use by New York renewable and clean energy companies? Does the proposal adequately describe how those resources are appropriate for incubation purposes (e.g. conference rooms, communication systems, library, flexible leasing arrangements, flexible infrastructure to house varying numbers of clients or diverse technologies.)?

- Are roles of responsibility for individual project personnel defined and is their experience appropriate for their responsibilities?
 - How qualified is the proposer or team to perform the proposed work, based on the evidence provided?
 - Does the proposer or team show a balance of expertise appropriate for the work (technical, business, educational, training, analytical, technical communication, marketing, administrative expertise, etc. as needed)?
 - Does the team include one or more key individuals with an entrepreneurial background?
 - **(Category B proposals only)** Is an incubator director identified? Does the director have previous experience running business incubators and working with business start-ups, formal business training, a personal entrepreneurial background involving business start-ups, and/or experience teaching business skills to others?
 - Does the proposing team have a demonstrated track record of working successfully with entrepreneurs, inventors, investors, funding agencies, and/or regional development agencies?
 - Is there evidence of a good performance record on other relevant projects?
 - Does the work include appropriate coordination with NYSERDA, NYSERDA Contractors (if directed), or where appropriate, other entities such as New York and out-of state venture capital and angel funding networks or incubators?
 - How firm are the commitments from essential team participants?
 - Do the letters of support reflect strong links to the community and external resources?
- **Statement of Work (SOW) and Schedule**
- Is the SOW well-organized, clear, and complete?
 - Is the level of detail provided sufficient to adequately describe the work to be accomplished?
 - Is the SOW likely to achieve the goals of the project?
 - Has the proposer developed effective mechanisms to market their concepts to prospective clients?
 - **(Category A and B proposals only)** Are the criteria and protocol to select and assist clients appropriate? Is the amount of time to be spent directly with clients sufficient?
 - Will the project measure quantifiable benefits in a well-conceived manner?
 - Is the schedule provided in adequate detail? Does it cover four or more years of assistance? Are annual progress review reports and meetings planned?
 - Are significant, appropriate, and quantifiable milestones and delivery of reports identified?
 - Does each task list one or more specific and appropriate deliverable(s)?
 - Did the proposer identify an effective strategy to measure project success? Did the proposer specify appropriate performance goals? How likely is the project to meet the significant milestones?
 - **(Category C proposals only)** Did the proposer include tasks in the proposal to plan and develop a New York State Clean Energy Alliance?

■ Cost

- Is the overall project cost justified based on the proposed work and expected benefits?
- Is the amount of funding allocated for specific tasks reasonable and sufficient?
- How appropriate are the proposer's cofunding contributions (sources and amounts) with respect to the degree of risk, potential to benefit from the work, and financial status of the organization?
- **(Category B only)** Is the preferred 25% costsharing provided?
- **(Category B only)** Are the revenue sources supporting the work appropriately numerous and diverse?
- **(Category B only)** Is a Milestone Payment Plan proposed? Are the majority of the budgeted funds allocated based on performance milestones?
- Are capital expenditures justified? Are they specific to the scope or are they general capital investments?

OTHER CONSIDERATIONS

Proposals will be reviewed to determine if they reflect NYSERDA's overall objectives, including: the availability and quality of public data that will come out of the project, the balance among NYSERDA projects of long-term and short-term benefits, 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.

V. 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(d)(2) 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 and 139-k. These provisions contain 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. 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 eight weeks from the proposal due date whether a given proposal has been selected to receive an award.

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 that 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.

VI. ATTACHMENTS

Attachment A - Proposal Checklist

Attachment B - Disclosure of Prior Findings of Non-responsibility

Attachment C - Contract Pricing Proposal Form (CPPF) and Instructions (This is the budget form.)

Attachment D - Sample Agreement

(If you are selected, the Sample Agreement will form the basis of the contract you would sign with NYSERDA. Do not use Exhibits E or F of the Sample Agreement to format the proposal you are submitting now. Those are intended for the Final Report you would submit upon completion of the project.)