



Professional Services for the Sale of Emissions Allowances

Request for Proposals (RFP) 1186

PROPOSAL DUE DATE: May 21, 2008 5:00 P.M. Eastern Time*

The New York State Energy Research and Development Authority ("NYSERDA") is a public-benefit corporation established by the State Legislature in 1975 to address the State's energy and environmental challenges. NYSERDA's principal mission is to use innovation and technology to solve some of New York's most difficult energy and environmental problems in ways that improve the State's economy.

Through rules and regulations promulgated by the Department of Environmental Conservation ("DEC"), NYSERDA will be responsible for selling nitrogen oxide ("NOx") allowances under the Clean Air Interstate Rule ("CAIR"). The objective of this solicitation is to select a qualified firm to provide NYSERDA market advice and brokerage services for the sale of these allowances.

Proposers are asked to present their qualifications, experience, and approach to providing the services mentioned above. Proposers must submit ten (10) copies of the proposal with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, RFP No. 1186
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Kevin Hale at (518) 862-1090, ext. 3266 or kch@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 Kevin Hale (Designated Contact) at (518) 862-1090, ext. 3266 or kch@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.

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I. INTRODUCTION

The New York State Department of Environmental Conservation (“DEC”) promulgated state administrative regulations 6 NYCRR Part 243 and 6 NYCRR Part 244 to establish the CAIR NOx Ozone Season and the CAIR NOx Annual Trading Programs respectively. According to these regulations, certain power plants must comply with the program by obtaining and retiring one allowance for every short ton of NOx emitted during the compliance period. While 90% of the budgeted allowances will be allocated to the Budget Sources at no cost, DEC will allocate 10% to NYSERDA for eventual sale into the existing NOx allowance marketplace. NYSERDA will use the proceeds of the sale of the NOx allowances under CAIR to support programs that encourage and foster energy efficiency measures and renewable energy technologies.

More information about CAIR can be found at: <http://www.dec.ny.gov/regs/2492.html>

II. QUANTITY OF ALLOWANCES

Currently, the total quantity of NOx allowances available for sale in NYSERDA’s allowance accounts on the EPA tracking system is 23,010, or 7,670 per year for three years. This total is broken down as follows:

9,327 for the Ozone Season Program. (3,109 each year for the 2009 through the 2011 allocation period).

13,683 for the Annual Program (4,561 each year for the 2009 through the 2011 allocation period).

Depending on future rules and regulations regarding allowance programs, the actual quantities of allowances may increase during the Contract Term, described in Section IV.

III. SERVICES REQUESTED

NYSERDA seeks the services of a firm with expertise in the emissions marketplace. These services would include, but not be limited to: the development of a strategy and schedule to best sell the allowances, the creation and distribution of a public notice to announce a sale of allowances, the actual placement or sale of these allowances into the appropriate market, and handling all aspects of the sale, transfer/delivery, record-keeping, and financial settlement for such allowances.

The selected proposer will be required to provide notice to the marketplace indicating that the allowances are available for sale. Such notice must be communicated to every power plant owner located in New York State and subject to compliance under 6 NYCRR Part 243 and Part 244. Such notice shall include all procedures and requirements relevant to the sale of the allowances. Such notice must also include a contact person employed by the contractor who will be responsible for correspondence with parties interested in purchasing the allowances.

The selected proposer shall maintain and make available to NYSERDA all books and records with regard to the sale of allowances sufficient for evaluation and audit. Such records should include but not be limited to: all documentation regarding each transaction including payment details, allowance transfer confirmations, and other relevant documentation.

IV. CONTRACT TERM

The term of the agreement with the selected proposer will be for twenty-four (24) months and thereafter may be extended for an additional twenty-four (24) month term upon mutual agreement.

V. CONTRACTOR RESPONSIBILITIES

The Contractor will work under the direction of NYSERDA's Project Manager. In any area where services are requested, all written deliverables will be presented to NYSERDA's Project Manager in draft form for review and ultimate approval by NYSERDA.

VI. PROPOSERS' CONFERENCE CALL

NYSERDA will conduct a teleconference on **May 6, 2008 at 11:00 a.m. EST**. The Proposers' Conference Call will provide interested firms an opportunity to seek clarification of the requirements of this RFP, to the extent practicable. To participate in the Proposers' Conference Call, NYSERDA must receive a completed Notice of Intent to Propose Form (Attachment C to this RFP) no later than May 5, 2008. Call-in information will be provided to the designated contact listed on the Notice of Intent to Propose Form returned to NYSERDA.

VII. PROPOSAL REQUIREMENTS

Proposers must submit ten (10) copies of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this Request for Proposals. A completed and signed Proposal Checklist must be attached as the front cover of each copy of your proposal, one of which must contain an original signature.

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.

All responses submitted as part of this RFP solicitation process become the property of NYSERDA. Proposers will not be reimbursed by NYSERDA for any costs associated with the preparation of their proposals. Proposals may be either single- or double-sided, but a page is considered one side of an 8-1/2" x 11" piece of paper. 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. Each page of the proposal should state the name of the proposer, the page number, and be labeled with "RFP 1186". The font size shall not be smaller than 11 point. Each proposal must be organized in clear distinguishable sections as listed below and shall contain the following:

1) Cover Letter (1 page)

Proposers shall submit a cover letter on company letterhead that references RFP 1186. The cover letter should summarize the proposer's ability to perform the requested scope of services. The cover letter must be signed by a representative possessing the authority to enter into a contract with NYSERDA. Should subcontracting arrangements be proposed, a similar cover letter from each subcontractor must also be submitted. Letters from subcontractors must be attached to the proposal and include the same information included in the proposers cover letter, including the signature of a representative possessing the authority to commit the subcontracting firm to provide the services proposed.

2) Section A. Overall Experience and Capabilities (3-5 pages)

Identify and describe the company or organization that will be the prime contractor under this RFP. Identify any subcontractors. Proposers must describe their expertise and ability as a team/firm to deliver the requested services. This should include the number of years in providing advisory and brokerage services for emissions allowances or related energy/environmental commodities, number of similar engagements, total number of full-time employees, and number of personnel engaged in providing advisory and brokerage services.

Proposers must also provide a brief summary of at least two and no more than four similar engagements where brokerage services have been provided. The summaries should specify the level of involvement of the proposing firm(s), the approach used to conduct the services, the objective, the deliverables provided, and the relative success of the project in achieving the objectives. For at least two of the engagements mentioned, proposers must include customer contact names and phone numbers.

3) Section B. Personnel and Qualifications (1-2 pages)

List and describe any personnel, teams, and subcontractors along with each individual's role in providing the requested services. Clearly identify the project manager. Describe past

relationships with team members and subcontractors. Include an organizational chart, if necessary. Describe the accomplishments, experiences, and expertise of the individuals comprising the proposing team relevant to this RFP.

4) Section C. Technical Proposal (up to 15 pages)

- a. **Approach and Strategy:** Describe your approach for providing advisory and brokerage services. Explain how you propose for notice to be provided to the marketplace and how your brokerage process functions. Explain the financial settlement and allowance transfer process that will be employed. Explain your documentation and record keeping processes and procedures. Also, identify what NYSERDA's roles and responsibilities will be in the process such as timely approval of transactions or other relevant responsibilities that are expected of NYSERDA in the sale of allowances.
- b. **Work Plan:** Provide a work plan with specific tasks that the proposal team will undertake to deliver these services and the associated timeline for such tasks, in weeks. In writing each task, indicate who will perform it (e.g., primary contractor, subcontractor, etc.), how it will be performed, and anticipated results. Describe the work to be performed under each task in clear, concise, action-oriented sentences. Use the following phrase to start each sentence: "The (insert name of proposing firm) shall..."; and clearly indicate the scope of work to be performed. Proposers must also identify any and all deliverables for each task.

5) Section D. Cost Proposal

Proposers must present a not-to-exceed cost, in \$ per allowance sold, to perform all requirements of this RFP. All anticipated costs or other charges for which reimbursement is expected should be included in the not-to-exceed fee.

6) Appendices

As Appendix A, include one- to two-page résumés for each individual listed in Section B of your proposal.

As Appendix B, provide a copy of your standard service agreement along with any sample transaction documentation such as transaction confirmations, financial settlement receipts and allowance transfer confirmations.

VIII. EVALUATION OF PROPOSALS

A Technical Evaluation Panel ("TEP") will review and score each proposal based on the criteria listed below. A final ranking will be determined based on the scores and analyses developed by the TEP.

- Response to the scope of services requested in this RFP as presented in your technical proposal
- Qualifications and expertise of the personnel/team
- Clear identification of staff that will be assigned to various aspects of the services
- Demonstrated experience and capability in providing the services requested
- Quality and relevance of previous work as evidenced by sample projects
- Reasonableness of the cost proposal
- Other programmatic and management factors deemed appropriate by the TEP

NYSERDA may request further information from any proposer as a part of the evaluation process. Further, as part of the evaluation process, proposers may be required to have appropriate representatives attend an interview or to provide a presentation regarding the proposal prior to final selection.

IX. PAYMENT

All costs associated with the sale of allowances, as presented in the Cost Proposal, will be paid through netting of expenses from the actual proceeds from the sale of allowances. In the event that no allowances are sold, no payments will be made.

X. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to accept 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 one award 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 review the proposers' standard service agreement requested as Appendix B to the proposal to negotiate a contract with the successful proposer. The resulting contract will include, at a minimum, STANDARD TERMS AND CONDITIONS FOR ALL NYSERDA AGREEMENTS

(Attachment D to this RFP). NYSERDA expects to notify proposers in approximately eight weeks from the proposal due date whether your 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 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.

XI. ATTACHMENTS

Attachment A – Proposal Checklist

Attachment B – Disclosure of Prior Findings of Non-responsibility

Attachment C – Notice of Intent to Bid

Attachment D– Standard Terms and Conditions for all NYSEDA Agreements