



“NYSERDA Growth Capital Business Partners”
Program Opportunity Notice (PON) 1927
\$ 400,000 Available



Proposals Due: May 3, 2011 by 5:00 PM Eastern Time*

Program Summary: Many of NYSERDA’s objectives in the commercialization of new clean energy technology and the development of new clean energy businesses can best be fulfilled with the involvement of providers of early-stage and expansion-stage private capital, such as angel investors, venture capital firms, and other providers of growth financing. The early and frequent engagement of such investors – for NYSERDA program and policy input, participation in NYSERDA-sponsored incubators, participation in consortia and other partnerships, and introduction to NYSERDA-supported technology developers – is valuable when it occurs, and NYSERDA seeks to make such engagement more regular and systematic.

The purpose of this program is to support a designated coordinating entity to organize frequent and sustained communication between NYSERDA and these investment communities worldwide. This is a solicitation for proposals from such entities for this financial support.

Proposal Submission: Proposers must submit ten (10) copies of the proposal and one (1) electronic copy on compact disc (CD), with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, PON 1927
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Michael Shimazu at (518) 862-1090, ext. 3478 or mhs@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 Michael Shimazu (Designated Contact) at (518) 862-1090, ext. 3478 or mhs@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 may 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

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established by the New York State Legislature in 1975. Its mission is to advance innovative energy solutions in ways that improve New York's economy and environment. To accomplish this, NYSERDA seeks to serve as a catalyst – advancing energy innovation and technology, transforming New York's economy, and empowering people to choose clean and efficient energy as part of their everyday lives

Many of NYSERDA's objectives in the commercialization of new clean energy technology and the development of new clean energy businesses can best be fulfilled with the involvement of providers of early-stage and expansion-stage private capital, such as angel investors, venture capital firms, and other providers of growth financing. The early and frequent engagement of such investors – for NYSERDA program and policy input, participation in NYSERDA-sponsored incubators, participation in consortia and other partnerships, and introduction to NYSERDA-supported technology developers – is valuable when it occurs, and NYSERDA seeks to make such engagement more regular and systematic.

The purpose of this program is to support a designated coordinating entity to organize frequent and sustained communication between NYSERDA and these investment communities worldwide. This is a solicitation for proposals from such entities for this financial support.

This solicitation is funded under the **New York Energy \$martSM** program, which is designed to encourage energy efficiency to reduce operating costs, lower emissions from electric generation, and reduce the strain on the State's transmission system. The **New York Energy \$martSM** Program is funded by the System Benefits Charge (SBC) and covers the territory consisting of Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric utility service areas.

This Program Opportunity Notice is organized as follows:

- II. Program Requirements (page 2)
- III. Proposal Requirements (page 4)
- IV. Proposal Evaluation (page 7)
- V. General Considerations (page 8)
- VI. Attachments (page 10)

II. PROGRAM REQUIREMENTS

Program Eligibility and Proposer Qualifications

For-profit and not-for-profit entities may propose under this solicitation. Provided that there is a single lead proposing entity that will be accountable for program delivery, the formation of proposal teams is allowed. Such teams may be beneficial to leverage existing organizations and networks.

Range and Scope of Services

NYSERDA seeks an efficient and effective means of communicating with investors, and in particular early-stage and expansion-stage venture capital investors, for several purposes, including these:

- To introduce NYSERDA to the investors, and convey the benefits of being actively involved with NYSERDA programs and initiatives.
- To seek the input of appropriate investor groups as NYSERDA continues to develop and manage its programs and policies to grow clean energy companies and foster an innovation ecosystem in New York;
- To make technologies developed with NYSERDA support known to the investment community;

- To introduce the investment community to NYSERDA-supported companies seeking capital and provide ongoing updates on their progress;
- To engage interested investors in the activities of NYSERDA-sponsored programs such as its Clean Energy Business Incubators, the New York State Smart Grid Consortium, the New York Battery and Energy Storage Technology Consortium, and others;
- To coordinate with the investment community in the pursuit of major Federal clean energy funding programs;
- To understand trends in clean energy investment for decision-making regarding the deployment of NYSERDA resources.

NYSERDA's programs to support clean energy business development include six Clean Energy Business Incubators, a NYSERDA Entrepreneurs-in-Residence Mentorship Program, NYSERDA Pre-Seed Workshop Scholarships, and entrepreneurial training programs (see: <http://www.nyserda.org/businessdevelopment>). NYSERDA also provides direct financial support to many early-stage companies through numerous product development programs. In addition, NYSERDA supports consortia such as the New York Battery and Energy Storage Technology (NY-BEST) Consortium (<http://www.ny-best.org>) and the Smart Grid Consortium (<http://nyssmartgrid.com>). To varying degrees, all of these have as an objective the preparation of New York companies for infusions of private capital. Consequently, engagement with the appropriate sources of capital is an important part of program management.

Under this solicitation, NYSERDA seeks to designate and support a contractor that will organize frequent and sustained communication between NYSERDA and NYSERDA Growth Capital Business Partners – the investment community within New York State and globally. Both at NYSERDA's direction and independently, the contractor would be expected to organize meetings and events, issue regular and special purpose communications to the community, develop and maintain a contact list of investors for NYSERDA's use, arrange advice for NYSERDA on trends and issues in clean energy early-stage finance, and provide an administrative and coordinating center for special projects. Such special projects could include preparing for federal solicitations, providing program input to NYSERDA, linking NYSERDA contractors and Clean Energy Business Incubators with the Growth Capital Business Partners, or facilitating relationships between Growth Capital Business Partners and NYSERDA-sponsored consortia.

An important aspect of the services being solicited is the identification and recruitment of investors to be included in the NYSERDA Growth Capital Business Partners. These early-stage and expansion-stage investors with an interest in clean energy can be located anywhere in the world, and may include angel investors, family offices, and corporate investors in addition to more conventional venture capital firms. It should be noted that New York itself hosts an important concentration of capital, as do the adjoining states of the Northeastern US. Within New York, there are many geographically based angel networks, as well as organizations of venture capital firms, such as the Upstate Venture Association of New York and the New York Venture Association, with broad interests in venture investing, but whose members do not necessarily have an interest in clean energy and clean technology. In addition there are many investors with such interests who are not affiliated with these organizations. Bringing those firms and investors with an interest in clean energy into communication with NYSERDA is a principal goal of this program.

The proposed scope of work should effectively pursue the program objectives within the constraints of the available budget. The strategic selection of cost-effective activities by the selected proposer will largely determine the project scope.

Available Funds

NYSERDA will make available up to \$400,000 under this solicitation, and will make no more than one contract award. Of this amount, \$375,000 will be available over three years for operations and expenses related to special projects.

One of the objectives of this project is to make the NYSERDA Growth Capital Business Partners program self-sustaining after this three-year funding period. It is anticipated that future support from non-NYSERDA stakeholders may come from revenues in the form of sponsorships, dues, fees or other charges. Up to \$25,000 of any award from NYSERDA under this solicitation will be reserved to match such other revenues.

NYSERDA reserves the right, in its sole discretion, to make no awards or to award less than the maximum amount set forth in this solicitation. Cost sharing is not required, but if proposed will be considered in the competitive evaluation of proposals.

III. PROPOSAL REQUIREMENTS

Proposers must submit ten (10) copies of the completed proposal and one electronic copy on CD to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice and by the date and time indicated. 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 may be returned and not reviewed.** Faxed or e-mailed copies will not be accepted.

Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics – double-sided prints with a staple in the upper left corner is the preferred format. 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 should present the items in the sequence indicated:

- Proposal Checklist
- State Finance Law Form
- Proposal Sections:
 1. Executive Summary
 2. Background, Opportunity and Needs Assessment
 3. Statement of Work and Schedule
 4. Proposer Qualifications and Experience
 5. Project Metrics and Benefits
 6. Project Budget
- Appendices

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. Please 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 who is 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, 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.**

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

1. *Executive Summary (1-2 pages)*

Briefly summarize the proposal by highlighting the statewide and regional needs and opportunities that are addressed, the major elements of the proposed NYSERDA Growth Capital Partners program, the total project cost, and expectations, targets and goals for New York State impacts.

2. *Background, Opportunity and Needs Assessment (2-4 pages)*

Describe the background and rationale for the proposed project to provide a context for the proposed activities.

- Identify early-stage and expansion-stage investors and investor groups who have been active in clean technologies, and who may have areas of mutual interest with NYSERDA. Describe the nature of existing relationships you may have with such investors, if any.
- Describe areas of possible mutual interest and collaboration between these investors and groups and NYSERDA. Identify the value such investors and groups could realize by engaging with NYSERDA and the research and development partners it supports.
- Assess and quantify, if possible, the potential for early-stage and expansion-stage investment in New York State-based clean energy companies.
- Identify key issues that may promote or inhibit the deployment of early-stage and expansion-stage capital in New York State-based clean energy companies.
- Identify information or resource requirements that could promote early-stage and expansion-stage investment in New York State-based clean energy companies.

3. *Statement of Work and Schedule (3-6 pages)*

Describe your approach to organizing frequent and sustained communication between NYSERDA and NYSERDA Growth Capital Business Partners – the investment community, principally early-stage and expansion-stage investors with an interest in clean energy. Provide a list of tasks, along with a description, budget and schedule for performance of each. Together, these tasks should address the following items, within the limitations of the program budget:

- Describe what strategies you will use to identify, recruit, and organize NYSERDA Growth Capital Business Partners, both to start and on an ongoing basis. Identify the value you will offer to NYSERDA Growth Capital Business Partners for their participation.
- Describe the most effective means you will use to open and maintain communications between NYSERDA (along with its funded consortia, companies, and incubators) and the Growth Capital Business Partners such that all parties benefit.
- Describe how you will keep NYSERDA abreast of current and emerging trends and issues in early-stage finance for clean energy. Indicate how you will organize input to NYSERDA policies and program plans upon request.

- Indicate how you will select NYSERDA-generated information for transmission to Growth Capital Business Partners.
- Indicate how you will facilitate relationships between Growth Capital Business Partners and NYSERDA-sponsored consortia, NYSERDA-funded companies, and NYSERDA-supported business incubators.
- Describe any key initiatives you would like to undertake to further the objectives of this program.

The Statement of Work should include quarterly reporting to NYSERDA, at a minimum.

One of the objectives of this project is to make the NYSERDA Growth Capital Business Partners program self-sustaining after this three-year funding period. A plan for sustainability will be expected as a deliverable by the end of the second year of the program. The development of a clear value proposition to the Growth Capital Business Partners that is likely to encourage their future financial support will be expected.

4. *Proposer Qualifications and Experience (2-4 pages)*

Describe the lead proposer or proposing organization and its history of engagement with early-stage and expansion-stage investors. Describe projects, initiatives and ongoing programs of the proposing team that have engaged the investor community, including revenue models for supporting them.

Describe partner or supporting organizations, if any, and their commitment to this proposed program. Provide letters of commitment from these organizations in the appendix.

Identify key personnel who will be responsible for implementing the program and provide brief biographical information. Provide full resumes in the appendix.

Identify any investment firms or investors who have agreed to join the NYSERDA Growth Capital Business Partners, if any, and describe their interest in engaging with NYSERDA. Provide letters of commitment from them in the appendix.

5. *Project Metrics and Benefits (2-4 pages)*

Describe the prospective benefits of the expected efforts. These should be stated in terms of quantitative measures where possible. Such metrics could include number and types of investors engaged, New York-based companies receiving capital, amount of capital invested, and so forth.

Describe methods for gathering information and reporting such to NYSERDA.

6. *Project 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>]
- **Per-Task Cost Table (required)** - Proposers must submit one table indicating both:
 - 1) the total expected expenditures for each task in the Statement of Work, and
 - 2) the percent of total effort for each task.

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 adjustment for any difference between the proposed and actual rate. Requests for financial statements or other needed financial information may be made if deemed necessary.

7. **Appendices**

- **Potential Conflicts of Interest** – Identify the nature of any potential conflicts of interest among team members in providing services to NYSERDA under this PON. Fully discuss possible conflicts of interest, actual and perceived, which could arise in connection with performance by team members of the proposed contract. Describe how your firm would resolve conflicts of interest. In the event that NYSERDA determines that a team member may have a conflict of interest or the appearance of such, NYSERDA may: (1) take this into consideration in evaluating the proposal; (2) exclude the proposer from consideration for an award; (3) adjust the scope of work to avoid the conflict of or appearance of conflict; or (4) negotiate other appropriate actions with the team member to avoid the conflict or appearance of conflict.
- **Exceptions to the Terms and Conditions** - If you do not accept the standard terms and conditions as contained in the attached Sample Agreement, provide alternate terms with justification based on the risk and benefit to NYSERDA and New York State.
- **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 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.** Proposers are encouraged to obtain letters of support that document accessibility and strong links to the venture community.
- **Resumes of Key Individuals**

IV. PROPOSAL EVALUATION

Proposers must meet eligibility requirements. Required forms, tables, certifications and signatures must be provided by the proposal due date. Proposals will be reviewed competitively by a Technical Evaluation Panel (TEP) and will be ranked against one another according to the following criteria.

Evaluation criteria

1. Likelihood of success

- How much access to target investors does the proposer demonstrate? How broad is the proposer's reach into the investment community, by type of investor and by geography? How sound is the proposed strategy for expanding this reach?

- How much value can the proposed activities deliver to the investment community? How likely is it that a viable revenue model can be developed?
- How well does the proposal identify information gaps and opportunities for constructive communication between NYSERDA and the investment community?
- How well do the proposed activities promote constructive communication between NYSERDA and the investment community?
- How well does the proposer understand the issues relative to financing clean energy companies?
- How well does the proposer understand the venture capital industry, its current challenges, and its geography? How well does the proposer know the funding landscape in the clean energy space?
- How well documented are program outcomes likely to be?

2. Quality of the proposing team.

- How available, qualified, and experienced are the key team members?
- How experienced and accomplished are the key team members in working with or within the venture capital community? How experienced and accomplished are they in working with early-stage and expansion-stage technology businesses?
- How firm are the commitments of key team members?
- How clearly organized is the team, including partner organizations? How appropriate is the organizational structure for the accomplishment of program objectives?
- How good is the track record of the proposing team members in performing on NYSERDA contracts, if applicable?

3. Cost and budget

- How well justified is the overall project cost? How well does the proposer make use of limited resources?
- How reasonable is the allocation of resources?
- How appropriate and significant is the cost share, if any?

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(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 exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/about/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/2007/fillin/st/st220td_507_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 prospective 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.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 pertaining to the Statement of Work. 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 reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the submitted proposal. NYSERDA expects to notify proposers in approximately 10 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. NYSERDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement.

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.

VI. Attachments:

Attachment A – Proposal Checklist

Attachment B – Disclosure of Prior Findings of Non- Responsibility

Attachment C – Contract Pricing Proposal Form (CPPF) and Instructions

Attachment D – Sample Agreement