

*******REVISED January 15, 2014*******
CFL Sales Performance Program
Program Opportunity Notice (PON) 2700
Up to \$5,000,000 Available

Proposals Due: February 13, 2014 by 5:00 PM Eastern Time*

The New York State Energy Research and Development Authority (NYSEERDA) is seeking qualified retailers and manufacturers with retail partners to participate in its residential compact fluorescent light bulb (CFL) Sales Performance Program (SPP). This program is designed to significantly increase the sales of ENERGY STAR[®] qualified spiral CFLs, with no other special features (standard CFLs), to levels above what would be sold in the absence of this program. Eligible retail sales above a pre-determined baseline will result in performance payments to the retailer or manufacturer. Payments will be made based strictly on verifiable sales performance. Proposers may use any merchandising, marketing, educational, in-store promotional and product buy-down tactics to achieve the proposed incremental CFL sales. This is not a buy-down incentive on each bulb, but rather a "bid" on the \$/bulb incentive needed to achieve incremental sales above the pre-determined baseline.

There is \$5 million available for this initiative and it is anticipated that a minimum of two proposals will be selected. The PON may be reissued if all funding is not exhausted. NYSEERDA will enter into a contract with the selected proposer(s) specifying the maximum increase in sales (lift) based on the incremental number of bulbs sold above an agreed-upon sales baseline. Resulting performance payments will be structured in a tiered fashion so that rewards increase as sales goals are achieved. Contracts may range from six to 18 months. Both retailers and manufacturer/retailer partnerships are eligible to submit proposals for this PON, as long as they meet the following requirements: at least 20 storefronts in the System Benefits Charge (SBC) territory, and at a minimum, a total annual sales of 300,000 CFL bulbs (targeted at residential applications). NYSEERDA reserves the right to approve exceptions to this requirement given sufficient justification. The minimum total incremental sales goal for this program is 200,000 eligible bulbs within a maximum time period of 12 months, or a minimum of 500,000 incremental bulbs within a maximum time period of 18 months. The SBC territory includes the service territories of Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric and Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation. This territory largely corresponds with all of New York State except for Nassau and Suffolk counties. The territories exclude areas where the electricity is provided by a municipality, the New York Power Authority, or the Long Island Power Authority.

Manufacturers must propose with one or more retailers as partners, however since sales are counted at the retail point-of-sale, the manufacturer must be able to meet the necessary sales data reporting requirements for all retailers with which they are proposing, including sales data for other manufacturers' bulbs sold through these retail partner stores. NYSEERDA will allow for "good faith" estimates for historical sales baseline, but it should be fairly accurate, and NYSEERDA will require actual sales data during contract negotiations with proposers to verify baseline estimates. A retailer may be listed as a partner in the proposals from multiple manufacturers.

Alternatively, a retailer may be the lead proposer with multiple manufacturers listed as partners. However, only one proposal will be selected per retailer, regardless of the number of manufacturers with which it partners in proposals. It is anticipated that NYSEERDA will finalize the sales baseline and performance payments structure during negotiations with successful proposers. However, an initial CFL baseline, proposed CFL sales increase, estimated kWh savings associated with the total incremental goal and performance payment or "bid" (total payment for incremental sales above an established baseline) must be included in each proposal and will be used to determine which proposals are selected. NYSEERDA intends to take a standard experimental design approach to determining the incremental sales on which payments will be based. This will involve designating one set of stores to participate in the program, and another set of stores that will serve as a control group and will not participate. Participating and control stores must be in the same retail chain(s). NYSEERDA will base final

calculation of the incremental sales on the historic baseline sales in participating and control stores (to be determined during contract negotiations) and on the difference between the changes in sales in participating stores and control stores during the contract period.

Proposal Submission: Proposers must submit ten (10) paper copies of the proposal and one (1) CD of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice. Note that the Sales and Proposed Bulb and Savings calculator worksheets are formatted to print on 11x14 paper and must be included, along with the Historical Sales Baseline Worksheet, in all copies of the proposal and on the CD. A completed and signed Proposal Checklist must be attached as the front cover of Section I of the proposal, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, PON 2700
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Ryan Moore at (518) 862-1090, ext. 3267 or rtm@nyserda.ny.gov. If you have contractual questions concerning this solicitation, contact Elsyda Ahmed at (518) 862-1090, ext. 3232 or ela@nyserda.ny.gov.

No communication intended to influence this procurement is permitted except by contacting Ryan Moore (Designated Contact) at (518) 862-1090, ext. 3267 or rtm@nyserda.ny.gov. 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 will be returned. Incomplete proposals may be subject to disqualification. It is the bidder's responsibility to ensure that all pages have been included in the proposal. 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.ny.gov.

I Introduction

The CFL SPP will focus on increasing consumer demand and sales of CFLs to achieve aggressive energy-saving goals of 1.3 million MWh by 2015. With current regional socket saturations in the 25% to 30% range and many households having few or no CFLs installed, standard CFLs offer significant cost-effective energy savings opportunities. The CFL SPP is administered as a part of the Energy Efficiency Portfolio Standard (EEPS) Statewide Residential Point-of-Sale (POS) Lighting Program. It is anticipated that the POS program will result in 1.3 million MWh savings over four years with approximately \$16.8 million available to implement the overall POS program, with the majority of the funding going to the incentives offered for ENERGY STAR standard spiral CFLs to meet the aggressive savings goal.

NYSERDA is seeking proposals from retailers and/or manufacturers (in partnership with retailers) to participate in the CFL SPP. Participating stores must be located within the SBC service territory. The SBC territory includes the service territories of Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric and Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation. This territory largely corresponds with all of New York State except for Nassau and Suffolk counties. The territories exclude areas where the electricity is provided by a municipality, the New York Power Authority, or the Long Island Power Authority.

This program is designed to pay successful proposers performance payments for achieving incremental gains in sales of standard CFLs (spiral with no special features) targeted to residential end-users, above a pre-determined,

negotiated CFL sales baseline, ensuring that payments are only made for sales that would not have occurred without the program. Since this is not a buy-down on each bulb, proposers should provide the total dollar amount they would expect to be paid for achieving the incremental CFL sales goals. Because proposers have to make investments to sell above historical baselines, NYSERDA will provide up to five percent of the total requested dollar amount for initial marketing and merchandising once a contract agreement is reached. This payment will be based on documentation of actual market costs that equal or exceed the amount being requested. For instance, if a successful proposer requested \$1 million in SPP incentives, NYSERDA would provide up to \$50,000 to reimburse marketing and merchandising costs needed to achieve incremental sales goals. This upfront, five percent of funding would be deducted from the total \$1 million performance payment. Proposers may use any merchandising, marketing, educational, in-store promotional and product buy-down tactics to achieve the proposed incremental CFL sales. While NYSERDA will work with the selected proposers during contract negotiations to finalize control groups and verifiable baselines for sales and performance payments, proposals should include initial details on the CFL baseline, proposed CFL sales increase, proposed control group, performance payments to meet the proposed CFL sales goal above the baseline, and cost per kWh saved for the incremental bulbs sold.

[Attachment D](#) includes:

- A Sales Calculator designed to help proposers analyze the impact of various proposed sales goals on potential payment streams for each bimonthly period and for the total time period proposed. Proposers should use Attachment D as a sales planning tool and for proposal purposes. More frequent monthly payments and reporting may be requested upon contract award.
- A “Proposed Bulbs and Savings Calculator” designed to help proposers estimate the total kWh saved, as well as the cost per kWh for all eligible CFLs sold (based on the proposer receiving the full incentive for reaching the defined sales goal).
- A “Historical Sales Baseline Worksheet” designed to present aggregated bimonthly historic sales data for proposed participating stores and control stores.

Proposers should be aware that the calculators do not include adjustments that may be made to incremental sales to reflect the impact of control stores sales performance during the contract period. For a description and examples of how these adjustments are to be calculated, see the Program Requirements section below.

Both calculators (Sales and Proposed Bulbs/Savings) and the Historical Sales Baseline worksheet must be submitted as part of the proposal.

This PON will only support ENERGY STAR® qualified spiral CFLs. For support of other lighting products such as specialty CFLs (SCFLs) and light-emitting diodes (LED)-based bulbs, NYSERDA’s New York Products Program provides separate buy down incentives to eligible manufacturers and retailers. If market conditions support it, and funding is available, LEDs may be included in future solicitations. If funding becomes available, NYSERDA’s buy-down incentives for SCFLs and LEDs could be used to complement SPP efforts. However, the buy-down incentives for SCFLs and LEDs would be a separate agreement, with separate reporting and educational requirements. For information and requirements to become a New York Products Program partner and take advantage of these other incentives, please contact Lockheed Martin, NYSERDA’s program implementation contractor, at 1-877-NYSTAR1 (1-877-697-8271).

NYSERDA anticipates selecting a minimum of two proposals for award under the CFL SPP. The PON may be reissued if all funding is not exhausted. Winning proposals will be selected based on their ability to contribute to NYSERDA’s aggressive residential lighting energy savings goals at the lowest cost per bulb and, ultimately, cost per kWh saved. NYSERDA requests that all parties considering applying submit Intent to Propose form (see [Attachment D](#)) to allow proper preparation for review.

A pre-bid conference webinar was held on December 4th, 2013 at 10:00 AM ET. Details are posted on NYSERDA’s website, under PON 2700 in the Funding Opportunities section, or alternatively, contact Ryan Moore at rtm@nyserdera.ny.gov or by phone at (518) 862-1090, ext.3267.

II Program Requirements

This program will provide performance payments to selected proposers based on incremental sales lift of eligible ENERGY STAR® qualified standard CFLs. Proposers may use strategies such as reducing the cost of the eligible bulbs, cross-merchandising, marketing, education, in-store events, outreach, or any combination of activities that will help increase sales of CFLs. Proposers may also submit proposals for sales performance or market lift in hard-to-reach markets or unique retail sales situations, where CFLs have not been traditionally sold to residential customers. The hard-to-reach retail channels for this program are expected to have little to no CFL stocking history as compared to conventional incandescent lighting. Thrift stores and neighborhood groceries (e.g., ethnic markets) make up much of the hard-to-reach market areas. For sales through hard-to-reach channels with historical CFL sales baselines of zero, there is no need for control groups. NYSERDA performance payments are strictly based on sales performance and are awarded for CFLs that are sold above the predetermined sales baseline as described under the heading “Incremental Sales Calculation.”

Contracts will be issued to proposers based on the evaluation criteria outlined in Section IV, Proposal Evaluation. While NYSERDA is seeking the lowest cost proposals to meet its aggressive program goals, proposals must demonstrate a sound approach with appropriate strategies for reaching sales goals within proposed schedules. The use of control groups will be an important component in isolating the impact of the program on CFL sales and determining the incremental sales above baseline on which performance payments will be based. Winning proposers that reach 100% of the agreed-upon goal in the defined time period (six to 18 months) as specified in the final contract will receive the full performance payment minus the five percent marketing money that NYSERDA provides up-front. However, in order to lessen risks to participants required to make program investments, NYSERDA will make monthly or bimonthly (every other month) partial performance payments for all incremental bulbs sold when cumulative incremental sales are at least 10% of the total incremental sales goal.

Complete sales data must be submitted in order for NYSERDA to pay an invoice and this should be considered when determining if a proposer would like to submit invoices monthly or bimonthly. A tiered incentive approach provides increasing incentive payments based on cumulative incremental sales reaching payment thresholds or “triggers” at increasing percentages of total incremental sales. The tiered incentive approach includes retroactive payments to maximize payments based on the highest threshold met. Once a participant meets the first payment trigger of incremental sales exceeding 10% of the incremental goal, they will receive 40% of the requested incentive per bulb (or $0.4X$, where X is the full incentive requested per bulb, minus the upfront marketing money paid by NYSERDA, which will be prorated over the total number of bulbs to be sold). Once a participant hits the second payment trigger of sales exceeding 40% of incremental goal, they are eligible for 70% of the full incentive per bulb, or $0.7X$. Once the new/higher incentive level or trigger is met, NYSERDA will make a retroactive payment so that all bulbs previously paid at $0.4X$ receive an additional $0.3X$ per bulb, bringing the total incentive payment to $0.7X$ for all bulbs sold. Likewise, when the participant sales exceed 80% of the incremental goal (the next payment trigger) all bulbs sold will receive a total of 85% of the full incentive per bulb or $0.85X$. At this third threshold or trigger, all the bulbs that received an incentive of $0.7X$ will receive an additional $0.15X$ through a retroactive payment, bringing all bulbs sold to date up to a $0.85X$ incentive per bulb. To minimize the risk to NYSERDA, a five percent retainer will be withheld on all payments. The proposer will receive the retainer once they have complied with all contract terms. Proposers should be aware that the calculators in Attachment D do not include adjustments that may be made to incremental sales to reflect the impact of control stores sales performance during the contract period. Payments may be adjusted based on analysis of the control store sales. Once the incremental sales goal is reached, NYSERDA reserves the right to renegotiate and extend the contract agreement if funding is available.

As an illustrative example of how this would work, using 1,000,000 CFL bulbs annually as the historical sales baseline for a hypothetical proposer:

- A retailer or manufacturer proposes a 12-month incremental sales goal of 1,000,000 CFLs. (That is, 1,000,000 in baseline sales plus 1,000,000 additional or “incremental” bulbs which would not have been sold without the performance payments.)
- In this example, a winning proposer would be contracted to sell an additional 1,000,000 eligible CFL bulbs above their historical sales, with the sales increase likely to be attributed to a variety of merchandising, marketing, education and cost-reduction activities designed to increase sales of CFLs.
- In this example, the proposer requests a CFL sales performance payment of \$400,000 to reach the goal of 1,000,000 additional bulbs sold, or \$0.40 per bulb, based on terms set forth in a contract.

- If the proposer meets their incremental sales goal in the specified period of time, NYSERDA will make the full payment of \$400,000 at the successful completion of a contract, as long as all contract terms are met. A proposer can request the maximum amount allowed for marketing up front (a maximum of 5% of the total incentive or \$20,000 in this example). This payment will be based on documentation of actual marketing costs that equal or exceed the amount being requested.
- The proposer would not have to wait until the end of the contract term for payment, however. NYSERDA would make partial payments during the contract term as certain milestones are reached that “trigger” payments based on incremental sales relative to the total incremental sales goal. (This example is illustrated in more detail on the “Example Sales Calculator” tab of [Attachment D](#).)

NYSERDA can only make payments for incremental sales after comparing sales activities between participating stores and non-participating (control) stores. This will require proposers to designate a group of stores for which they will provide any promotions, discounts, or other efforts they may implement to sell SPP bulbs (“participating” stores), and a comparable group of comparison stores that will not receive these promotions, discounts, or other efforts (“control” stores). For successful proposers, NYSERDA will use historical sales data for participating and control stores to develop a bimonthly (or monthly), proposer-specific CFL sales baseline. This will help make any adjustments to the baseline necessary to account for historical differences between sales in participating and non-participating stores for a successful proposer. For the purpose of this proposal, the sales baseline can be approximated, but should be fairly accurate. NYSERDA will require actual sales data during contract negotiations with successful proposers. A retailer may be listed as a partner in the proposals from multiple manufacturers. Alternatively, a retailer may be the lead proposer with multiple manufacturers listed as partners. However, only one proposal will be selected per retailer, regardless of the number of manufacturers with which it partners in proposals. It is anticipated that NYSERDA will finalize the sales baseline and performance payment structure during negotiations with successful proposers. Successful proposers will be required to submit either monthly or bimonthly (depending on whether they want to be able to invoice monthly or bimonthly), store-level sales data for both participating and control stores in two waves:

-The first wave will be two years of bimonthly sales data per store prior to the start of the contract. These data will be used to calculate the historical sales baselines for the participating store group and the control store group.

-The second wave will be actual monthly or bimonthly sales data per store, to be submitted on a regular basis throughout the contract period for use in calculating the incremental bulb sales on which payments will be based.

For an example of the sales data that successful proposers will be required to submit during the contract term, see Figures 1 and 2 under the heading “Data and Reporting Requirements.” For an explanation of how the participating and control store sales data will be used to calculate incremental sales, see the “Incremental Sales Calculation” section.

Proposers will submit a proposed goal for the incremental number of CFLs to be sold as well as a “bid” for the total amount that would be paid out should they achieve the proposed incremental sales goal. The “Sales Calculator” (see [Attachment D](#)) helps proposers analyze proposed sales goals, incentives associated with meeting the sales goal, and payment streams for progress made in meeting the sales goal. The Sales Calculator provides details on most assumptions, payment triggers, funds retained, etc. There is one exception. The Sales Calculator does not show how the difference between the historical sales baseline for control stores and actual control stores’ sales affect the incremental sales calculated for participating stores. For a description of this mechanism and examples, see the section entitled “Incremental Sales Calculation.” The “Proposed Bulbs and Savings Calculator” (see [Attachment D](#)) helps proposers estimate total kWh to be saved for the mix of eligible CFLs sold, and will be used to determine the cost per kWh saved based on the full incentive being proposed for reaching a defined sales goal. The “Historical Sales Baseline Worksheet” ([Attachment D](#)) is used to develop a preliminary bimonthly sales baseline for proposed participating stores and control stores, however, these tools do not show how payments may be adjusted based on the sales performance of the control stores.

If contracts are not on track to meet their sales goal, as seen in monthly/bimonthly sales trends, within three to six months of contract execution, depending on the contract term, contracts may be renegotiated or terminated. Contracts may also be modified/extended and additional funds, at the full \$/bulb incentive requested, may be

added to contracts, if sales are consistently on track to meet the total goal within the contract term and additional funds are available. Such an extension may require a renegotiation of the sales baseline prior to the extension.

The timeframe for proposers to reach their proposed sales goal is a minimum of six months to a maximum of 18 months. Proposers must identify the length of their proposed sales goal time period in their proposal. When selecting a length of time, the proposer should include any time needed to develop marketing plans. NYSERDA reserves the right to extend and renegotiate any contract.

Unless proposers are trying to increase sales in hard-to-reach areas or unique retail situations, where CFLs are not traditionally sold, only proposals from those that meet the following characteristics will be considered: minimum annual sales of 300,000 spiral CFL bulbs to residential customers; a minimum, total incremental sales goal of 200,000 eligible bulbs within a maximum time period of 12 months, or a minimum of 500,000 bulbs as the incremental sales goal within a maximum time period of 18 months; and at least 20 storefronts in the eligible territory. Additionally, participating retail store locations must be located within the System Benefits Charge (SBC) territory (the service territories of Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric and Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation).

Data and Reporting Requirements

For a proposal to be considered, proposers must submit two years of bimonthly historical sales aggregated across stores in (a) the proposed participant group and (b) the proposed control group as shown in the “Historical Sales Baseline Worksheet” ([Attachment D](#)). For the purpose of this proposal, the sales baseline can be approximated, but should be fairly accurate. During contract negotiations with successful proposers, NYSERDA will require more detailed historical lighting sales data (i.e., by store) in order to assess the appropriateness of the proposed participant and control groups and ensure that the baselines on which awards will be based are realistic. If possible, proposers are encouraged to provide bimonthly historical sales data by store, rather than in aggregate, for SPP-participating and control group stores in their proposals, as this is likely to speed up contract negotiations.

Upon award of a contract, NYSERDA will require selected proposers to supply additional detailed (actual) sales data (monthly or bimonthly), starting with the month following the contract award. As shown in the example below (Figure 1), this is expected to include reporting sales by store for all participating and control group stores for: A) all ENERGY STAR qualified spiral CFLs, and B) all competing products to category A, with the exception of LEDs (i.e., incandescent A-lamp bulbs, halogen A-lamp bulbs and all other spiral CFLs). In the situation where a manufacturer is the lead proposer, the sales data must include sales data for other manufacturers’ bulbs sold in the participating and control group stores. If the historical sales data submitted for this bid are not detailed enough, more detailed historical sales data by store will be required prior to awarding a contract.

While LED bulbs are not included in the SPP, NYSERDA is interested in obtaining bimonthly sales and pricing data for LED bulbs (450 lumens or greater and for a minimum of \$25,000 in annual LED sales) along with the bimonthly sales data described above to help in understanding progress in this market and factor this progress into future program designs. Proposers interested in supplying this data to NYSERDA will be eligible to receive an additional incentive of 1.5% added to the total performance payments paid, assuming all contract requirements are met, capped at \$25,000.

Proposers will be required to provide information for each bulb including manufacturer, model number, CFL type, wattage and lumen output on the “Proposed Bulb and Savings Calculator” in Attachment D. In the proposal, proposers should indicate the means intended for NYSERDA’s verification of sales data, such as providing NYSERDA with sales invoices, shipping records, electronic sales files, etc.

The CFL SPP will also be subject to an independent evaluation. After contract award, NYSERDA staff, working closely with the program evaluation team, will help winning proposers finalize appropriate control groups and if necessary, clarify how control groups will be used to isolate other market factors impacting CFL sales. The detailed sales data that will be required after contract award can be provided by an entity other than the lead proposer (i.e. a retailer or a third party providing sales data when the lead proposer is a manufacturer). The template and example below are the format in which it is expected that successful proposers will submit sales data

associated with the program, with the tables being reproduced for each bimonthly period. Other forms of submittal may be possible with prior NYSERDA approval.

Figure 1. Template of Reporting Chart

Bimonthly Sales by Store By Individual Bulb Counts (Not Packages)						
STORE #1: ADDRESS--street, city, zip Group (Participant or Control)		Medium (Edison) screw base spiral CFLs with integral electronic ballasts		All other CFLs, regardless of base type		Incandescent and EISA-compliant halogen incandescent bulbs (screw base), all wattages combined
(fill in address here)		ENERGY STAR®- Qualified	NOT ENERGY STAR- Qualified	ENERGY STAR- Qualified	NOT ENERGY STAR- Qualified	
Jan/Feb 2012	Proposed bulb by wattage					
	Proposed bulb by wattage					
	Proposed bulb by wattage					
	All other CFLs <i>not</i> included in CFL SPP proposal, all wattages combined					
	Incandescent and EISA-compliant halogen incandescent bulbs (screw base), all wattages combined					

Figure 2. Example of Completed Reporting Chart

Bimonthly Sales by Store By Individual Bulb Counts (Not Packages)						
STORE #1, Participant Group		Medium (Edison) screw base spiral CFLs with integral electronic ballasts		All other CFLs, regardless of base type		Incandescent and EISA-compliant halogen incandescent bulbs (screw base), all wattages combined
1234 Example St. Example City, NY 12345		ENERGY STAR- Qualified	NOT ENERGY STAR- Qualified	ENERGY STAR- Qualified	NOT ENERGY STAR- Qualified	
Jan/Feb 2012	13 W Spiral CFL (Brand) (Product	5,000				

	Number/Model)					
	18 W Spiral CFL (Brand) (Product Number/Model)	6,500				
	23 W Spiral CFL (Brand) (Product Number/Model)	6,000				
	All other CFLs <i>not</i> specified in proposal, all wattages combined	15,000	3,500	1,500	0	
	Incandescent and EISA-compliant halogen incandescent bulbs (screw base), all wattages combined					8,750

Control Group Requirements

Proposals for sales in hard-to-reach markets, where CFLs have not been traditionally sold may not need control groups. The hard-to-reach retail channels for this program are expected to have little to no CFL stocking history as compared to conventional incandescent lighting. Thrift stores and neighborhood groceries (e.g., ethnic markets) make up much of the hard-to-reach market areas. For sales through hard-to-reach channels with historical CFL sales baselines of zero, there is no need for control groups.

For all other proposals, the minimum size for a control group is 10 stores or 10% of the number of participating stores, whichever is greater. NYSERDA encourages proposers to propose larger numbers of control stores, as a larger pool reduces variation and thus risk to proposers and NYSERDA. Proposers should provide the number of storefronts by county for participating stores and control group stores. Control group stores may be inside or outside of the SBC service territory, and should closely reflect the characteristics of the population participating in the CFL Sales Performance Program. It is often challenging to establish a reliable control group and, as a result, proposers should take into consideration and discuss in their proposals the comparability of demographic and economic characteristics of the locations of participating and control stores, as well as the comparability of the stores themselves in terms of store and sales characteristics. They should also take into consideration and discuss how they plan to limit exposing control store customers to their merchandising/marketing efforts for SPP bulbs. If control group stores are located outside the SBC service territory, proposers need to explain their rationale for the choice of location, including the degree to which it has been exposed to lighting energy efficiency programs in the previous two years, and possible issues with the control stores being compromised due to lighting energy efficiency efforts that could be undertaken in the location during the contract period. It is possible that the composition of control group stores may need to change prior to the start of the contract in order to ensure the validity of the comparisons to be made between participating and control stores. **NYSERDA will work with the winning proposers to make a final determination as to which stores will be used as control group stores.**

Incremental Sales Calculation

The incremental bulb sales on which payments will be based are expected to be calculated as follows. For examples of each calculation, refer to the respective columns in Figure 3 below.

1. Bimonthly historical sales baselines for the participating and control store groups will be calculated for a two-year period, as shown in the Historical Sales Baseline worksheet in [Attachment D](#). (In the example below, bimonthly historical sales baselines are shown in column B.)

2. For every two months of the contract, the net gain above the historical sales baseline for the corresponding bimonthly period (column E) will be calculated by subtracting the historical sales for the period for each group of stores from the actual sales for the corresponding period. (For example, January+February historical baseline sales [column B] for participating stores would be subtracted from participating stores' actual January+February sales [column C] during the contract period. Similarly, January+February historical sales for control stores would be subtracted from control stores' actual January+February sales for the contract period.)
3. For each bimonthly period the net gain (column E) in participating stores' sales will be compared to the net gain in control stores' sales. The percentage difference in net gain in the participating stores' sales compared to the control stores' sales is the incremental gain (shown as a percentage in column F), or **incremental sales** (shown in units in column G). Payments will be made based on this value for each bimonthly period.

Examples 1 through 3 in Figure 3 illustrate how differences in net gain above the historical sales baselines of participating and control stores would affect the incremental sales baseline in three different scenarios. Example 1 shows that in comparison to the historical CFL baselines for each set of stores, participating stores' sales increase while control stores' sales remain flat, resulting in no adjustment to the net gain in participating stores. In this example, the incremental sales gain on which payments are made is the same as net sales gain in participating stores. In Example 2, both participating and control stores' sales decrease, but Participating stores' sales decrease less. As a result, despite the drop in sales in participating stores, there is still an incremental sales gain. In Example 3, both participating and control stores' sales increase, but participating stores' sales increase more than control stores' sales.

Figure 3. Example of Adjustments Using Control Stores to Calculate Incremental CFL Sales

A		B	C	D	E	F	G
Bi-Monthly Period		Historical CFL Sales Baseline for Bi-Monthly Period	Actual Bi-Monthly CFL Sales During Promotion	Net Gain Above Historical Sales Baseline (Units)	Net Gain Above Historical Sales Baseline (%)	Incremental Gain (%)	Incremental Gain or Incremental Sales (units)
Example 1							
Jan/Feb	Participating Stores	150,000	170,000	20,000	13%		
Jan/Feb	Control Stores	16,000	16,000	0	0%		
Jan/Feb	Incremental Gain					13%	20,000
Example 2							
Jan/Feb	Participating Stores	150,000	140,000	-10,000	-7%		
Jan/Feb	Control Stores	16,000	13,000	-3,000	-19%		
Jan/Feb	Incremental Gain					12%	18,125
Example 3							
Jan/Feb	Participating Stores	150,000	170,000	20,000	13%		
Jan/Feb	Control Stores	16,000	16,500	500	3%		
Jan/Feb	Incremental Gain					10%	15,313

III Proposal Requirements and Proposal Format

Confidential and Proprietary Data

NYSERDA will work with proposers, following their selection, to ensure that adequate data will be available for evaluation and to discuss processes related to the confidentiality of the data. 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**

<http://nysesda.ny.gov/~media/Files/About/Contact/NYSERDAREgulations.ashx>. However, NYSEDA cannot guarantee the confidentiality of any information submitted.¹ If NYSEDA receives a request from a third party for information or a document received from a Proposer or Contractor and which has been marked "Confidential" or "Proprietary," NYSEDA will process such request under the procedures provided by NYSEDA's FOIL regulations (see www.nysesda.org/About/NYSERDA.Regulations.pdf).

Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. Proposers must submit double-sided copies. 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.

A proposal may be submitted by either a manufacturer or a retailer, with the lead proposer being clearly indicated. However, only one proposal will be selected per retailer, regardless of the number of proposing manufacturers with which they are a team member. A retailer may be the lead proposer with multiple manufacturers. The following examples illustrate possible teaming and award scenarios:

- Retailer A signs on as a team member to two proposals, one from Manufacturer A and a second from Manufacturer B. However, only one of the proposals including Retailer A can be approved, meaning Manufacturer A's proposal or Manufacturer B's proposal could be approved, but not both.
- Retailer A submits two proposals, one with Manufacturer A and Manufacturer B both as partners, and a second with Manufacturer C as a partner. Only one of Retailer A's two proposals can be approved.

The proposal requirements must be submitted in two Sections in the format outlined below.

SECTION A

1.0 Proposal Checklist (1 page)

The Proposal Checklist must be attached as the front cover of each copy of your proposal, one of which must contain an original signature. Proposals lacking the appropriate and completed signed Proposal Checklist may be returned.

2.0 Cover Letter (1-2 pages)

Proposers should submit a cover letter on company letterhead that references this PON, with a brief description of the proposed approach to fulfilling the work requested under this PON. The proposer must indicate in the cover letter the total number of incremental bulbs to be sold, the total kWh in energy savings to be acquired through those sales, and the incentive requested to achieve 100% of those sales. The proposer should indicate whether sales will happen in traditional or hard-to-reach retail channels. The proposer must indicate the \$/kWh resulting from the incentive paid for achieving the goal, and the time period over which the program will be implemented (six to 18 months) in their cover letter. Proposers should describe teaming and partnering arrangements. The cover letter must also include firm name,

¹ Pursuant to NYSEDA's FOIL regulations, "trade secret means any record including, but not limited to: any proprietary data concerning past, present, or planned future energy distribution, sales volumes, costs, or prices; customer or client lists; devices; processes or plans; formulas; patterns; processes; procedures; studies; analysis, plans, and surveys; compounds; cost records; compilations or information; and other confidential or proprietary information which is not published or divulged, disclosure of which would cause substantial injury to the competitive position of the commercial enterprise. Trade secret shall also include information derived from information from a commercial enterprise which if disclosed would cause substantial injury to the competitive position of the commercial enterprise." 21 NYCRR Part 501.6(a).

address, telephone/fax, email address, and contact person. **The cover letter must be signed by a person with the authority to enter into a contract with NYSERDA.**

3.0 Organizational Chart and Related Experience (1-3 pages, plus organizational chart)

Include an organizational chart showing key team members and explain their roles. Summarize the team's past experience selling CFLs and implementing similar or relevant activities. Summarize the strategy to incorporate all members of the sales team, including lighting buyer, corporate merchandising team, and district/regional/store level management. Also describe any experience using control groups to determine incremental changes in sales associated with a marketing campaign or initiative. Indicate who is ultimately responsible for the success of the program and who NYSERDA will use as the primary contact for the project.

4.0 Approach (1-2 pages)

Briefly describe how the increase in sales will be obtained, including merchandising, marketing, education, outreach and pricing strategies, addressing how that might vary by store or region or over time, if applicable. Indicate how the proposed strategy will support market transformation, meaning the maintenance of increased sales and a permanent shift to high-efficiency lighting after the project is completed.

5.0 Attachment D: Sales Calculator, Proposed Bulb and Savings Calculator, and Historical Sales Baseline Worksheet

Complete and attach the Sales Calculator and the Proposed Bulb and Savings Calculator worksheets. Note that the Sales and Proposed Bulb and Savings calculators are formatted to print on 11x14 paper and must be included, along with the Historical Sales Baseline worksheet, in all copies of the proposal, in addition to being included on the CD.

Fill-out the Sales Calculator and Proposed Bulb and Savings Calculator worksheet to show the proposed number of CFLs that will be sold by bimonthly period, the incentive requested, and the potential energy savings.

Fill-out the Historical Sales Baseline worksheet to calculate the sales baseline to be used in the Sales Calculator and to show how the baseline was determined. (See Section II for instructions regarding the Historical Sales Baseline worksheet.)

6.0 Implementation and Reporting Plan (2-4 pages)

Describe the implementation plan, including how the increase in sales will be achieved, documented and reported, in isolation of other market activities through the use of control groups. The implementation plan should, at a minimum, include the following:

1. Strategy for increasing sales.
2. Description of materials or displays to be used.
3. Description of the participating and control groups and the rationale behind the selection of locations and stores for participating and control groups. The rationale should include a short discussion of how the control group stores compare to participating stores in terms of size and sales, and the comparability of demographic and economic characteristics of the locations of each set of stores. If control group stores are located outside the SBC service territory, explain the rationale for the choice of location, including the degree to which the location has been exposed to lighting energy efficiency programs in the previous two years, and possible issues with the control stores being compromised due to lighting energy efficiency efforts that could be undertaken in the location during the contract period.

4. For proposals addressing hard-to-reach markets, the proposer must indicate if CFLs have been previously sold in the past 24 months. Depending on the amount of sales, a control group may be necessary.
5. Plan for how retailers will isolate control group stores from SPP marketing activities;
6. Plan for how the change in sales will be documented and reported monthly or bimonthly, including confirmation of willingness to provide monthly or bimonthly sales data by store throughout the contract period, as described in Section II, Program Requirements, Data and Reporting Requirements, in the format shown in Figure 1.
7. Plan to ensure data integrity.

7.0 Proposed List of Retail Locations for Participating and Control Groups (1-3 pages)

Provide a list or chart of all the stores that will participate in SPP and the proposed control group stores. The list or chart should include the number of storefronts by county, store name, location/address, retail contact person, and an indication of size relative to the rest of the chain.

8.0 Letters of Commitment

Signed Letters of Commitments should be included from all partners named in the proposal. Letters of commitment from retail partners should include the fact that historical sales data will be made available to NYSERDA.

SECTION B

1.0 Baseline Data²

Using the Historical Baseline Sales worksheet ("Sales Baseline" tab), submit a historical sales baseline of all ENERGY STAR spiral CFL sales for the two years prior to January 1, 2014, by bimonthly period, separately for participating and control stores. As stated earlier, estimated baselines are acceptable for purposes of this proposal, but NYSERDA will require actual baseline data during contract negotiations with successful proposers. Exceptions to the requirement for two years of historical sales data may be granted with sufficient justification.

Proposers must submit the ten (10) paper copies and one (1) CD of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice. Note that the Sales and Proposed Bulb and Savings calculators are formatted to print on 11x14 paper and must be included in all copies of the proposal in addition to on the CD. A completed and signed Proposal Checklist must be attached as the front cover of Section I of the proposal, one of which must contain an original signature. **Late proposals will be returned and proposals lacking the appropriate completed and signed Proposal Checklist may be returned. Faxed or e-mailed copies will not be accepted.**

² **Confidential and Proprietary Data:** NYSERDA will work with proposers, following their selection, to ensure that adequate data will be available for evaluation and to discuss processes related to the confidentiality of the data. NYSERDA is subject to and must comply with the requirements of New York's Freedom of Information Law (FOIL), Public Officers' Law, Article 6. Information of any tangible form including any document that Contractor wishes to be protected from disclosure to third parties must be marked "Confidential" or "Proprietary" at the time such information is provided to NYSERDA. The Freedom of Information Law (FOIL - Public Officers Law § 87(d)(2)) provides an exception 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." If NYSERDA receives a request from a third party for information or a document received from a Proposer or Contractor and which has been marked "Confidential" or "Proprietary," NYSERDA will process such request under the procedures provided by NYSERDA's FOIL regulations (see www.nyserda.org/About/NYSERDA.Regulations.pdf).

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 is available at:

<http://www.ogs.ny.gov/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.

IV. Proposal Evaluation

NYSERDA reserves the right to eliminate from further consideration any proposal deemed to be substantially or materially non-responsive to the requests for information or program requirements contained herein. It is strongly recommended that proposers review the evaluation criteria, since it is the basis upon which proposals will be reviewed and scored.

Proposals that meet basic requirements of this solicitation will be reviewed and ranked, (based on the criteria below) by a Technical Evaluation Panel (TEP) consisting of NYSERDA staff and selected outside reviewers. All references to the "proposer" below apply to the proposer and any additional team members.

NYSERDA reserves the right to require an interview before a final contract award decision. After final consideration and evaluation of the proposals, NYSERDA will notify each proposer of the outcome within approximately six weeks from the proposal due date.

Evaluation Criteria: listed in order of importance.

- **Cost-effectiveness**
 - Does the proposer provide a realistic incentive per-bulb and per kWh to reach SPP goals? How does the incentive per-bulb and per-kWh compare to other proposers?
 - Does the proposal present the opportunity to increase sales of CFLs by a significant degree?
 - Are the sales increases proposed realistic?
 - Does the proposal impact a large number of stores and customers?
- **Data and Baseline Calculation**
 - Is the proposer able to provide NYSERDA with sufficient sales data or other data and feedback, as needed, to conduct an evaluation of the promotion on an ongoing basis and upon completion and in support of NYSERDA's overarching evaluation activities?
 - Is information provided sufficient to establish a baseline for historical CFL sales in participating and control stores?
 - Does the plan adequately address the identification and participation of a control group?
 - Or does the proposal address the hard-to-reach market and does the proposal provide sufficient data on the retail stores/channels proposed?
- **Approach**
 - Does the promotion include eligible standard CFLs?
 - Is the plan and proposed schedule realistic and achievable?
 - Does the plan make use of multiple techniques to increase sales?
 - Does the plan address traditional retail channels realistically? Or is it trying to achieve realistic market lift in hard-to-reach retail channels?
- **Qualifications/Team Composition**
 - Does the proposer demonstrate the organizational capability and sales experience to successfully implement the proposal?

- Are the responsibilities of each team member clearly defined? Is the individual responsible for success of the program identified, and are there clear lines of communication with NYSERDA?
- Do the proposed retail (both participating and control) locations meet the program requirements?
- Does the proposer have a plan in place to incorporate all members of the sales team, including lighting buyer, corporate merchandising team, and district/regional/store level management?
- Are letters of commitment provided from all team members?

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 <http://nyserda.ny.gov/~media/Files/About/Contact/NYSERDARegulations.ashx>. 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.ny.gov/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.ny.gov/pdf/current_forms/st/st220td_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.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.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 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 (see Proposal Checklist). Proposers should keep in mind that acceptance of all standard terms and conditions will generally result in a more expedited contracting process. NYSERDA expects to notify proposers in approximately six weeks from the proposal due date whether your proposal has been selected to receive an award. NYSERDA may decline to contract with awardees that are delinquent with respect to any obligation under any previous or active NYSERDA agreement.

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 - Intent to Propose

Attachment D - Sales Calculator, Proposed Bulb and Savings Calculator, Historical Sales Baseline Worksheet

Attachment E - Sample Agreement