

**REQUEST
FOR
PROPOSALS**

To Finance Energy Performance Contract

BY THE

**Lucas Metropolitan Housing Authority
435 Nebraska
Toledo, Ohio 43604**

**Linnie B. Willis
Executive Director**



DATE: May 10, 2012

The responsibility for submitting a response to this RFP at the offices of the Lucas metropolitan Housing Authority (the "Authority") on or before the stated time and date will be solely and strictly the responsibility of the Offeror. The Authority will in no way be responsible for delays caused by the United States Mail delivery or caused by any other occurrence.



The Lucas Metropolitan Housing Authority is soliciting proposals for:

SOLICITATION TYPE: Request for Proposals (RFP)

RFP NUMBER: #12-R006

DESCRIPTION: Financing for Energy Performance Contract

ISSUE DATE: May 10, 2012

PROPOSAL DUE DATE AND TIME: May 25, 2012
4:00 PM Eastern Time

PROPOSAL SUBMISSION PLACE: Lucas Metropolitan Housing Authority
Procurement Department
435 Nebraska Ave
Toledo, Ohio 43604

DIRECT INQUIRIES TO: Cynthia Tetterton-Williams,
Manager of Procurement and Contracts
ctetterton-williams@lucasmha.org

Note: All inquiries must be received via email, no later 12:00 P.M. Eastern Time, May 16th 2012. All Proposals are subject to the Conditions, Instructions and the Specifications attached hereto.

SECTION I: PURPOSE

The Lucas County Metropolitan Housing Authority, Toledo OH (“The Authority”) has contracted with Johnson Controls, Inc. (The ESCO) to implement an Energy Performance Contract for an amount between **\$12,000,000 and \$20,000,000**.

The Authority owns and operates 3,101 conventional public housing units. The Authority’s public housing inventory consists of six high-rise towers, seven elderly low-rise or garden complexes, thirteen family townhouse complexes, two family low-rise or garden complexes, and approximately 380 scattered site units.

The Authority is seeking proposals from interested Financing Entities to provide financing for the implementation of the Authority’s Energy Performance Contracting Program. Installation of the equipment is anticipated to commence on or about October 1, 2012 and continue for approximately 18 months. The Housing Authority is seeking between **\$12,000,000 and \$20,000,000** for **15 and 20 years**, plus construction, financing periods. An escrow account will be established to handle construction period and the Authority desires to make no payments during this period. After construction the Authority will prefer to make **semi-annual** payments over the remaining term.

Within the past six (6) months the Authority completed the S&P rating process for its Capital Fund Financing Program (CFFP) are received a “AA” rating.

SECTION II: PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

Number of Copies: In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) electronic copy via email to ctetterton-williams@lucasmha.org or any other electronic medium of the Offerors choosing , and Two (2) hard copies. Additional copies shall be provided upon request at no charge.

No other distribution of the proposal shall be made by the Offeror.

2. Proposal Preparation:

- a. **Submission of Materials** - An authorized representative of the Offeror shall sign the proposal. All information requested should be submitted. Failure to submit all information requested may result in the Authority requiring prompt submission of missing information and/or a lowered evaluation of the proposal. The Authority may reject proposals which are substantially incomplete or lack key information. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. **Clarity of Proposals** - Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

- d. **Proposal Organization.** Proposals should be organized in the order in which the requirements are presented in the RFP. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be included as an attachment and designated as such. Proposals that are not organized in this manner risk elimination from consideration.
- e. **Single Volume.** Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- f. **Ownership of Materials.** Ownership of all data, materials and documentation originated and prepared for the Authority pursuant to the RFP shall belong exclusively to the Authority and are subject to public inspection in accordance with the Freedom of Information Act.

TO MARK ANY PART OF THE DOCUMENT, LINE ITEM PRICES AND/OR TOTAL PROPOSAL PRICES AS PROPRIETARY OR TRADE SECRETS IS NOT ACCEPTABLE AND MAY RESULT IN THE REJECTION OF THE PROPOSAL.

3. **Oral Presentation:**

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to a designated committee of the Housing Authority. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This would be a fact finding and explanation session only and does not include negotiation. The Housing Authority will schedule the time and location of these presentations. Oral presentations are an option of the Housing Authority and may or may not be required.

B. **SPECIFIC REQUIREMENTS:**

Proposals should be as thorough and detailed as possible so that the evaluation panel may properly evaluate the Offeror's capabilities to provide the required services. Offerors are required to submit the following items:

TAB 1. The complete RFP and addenda, if any, filled out as required and signed.

TAB 2. General Qualifications: 4 pages max.

1. Briefly describe your firm's understanding of the Authority's financing requirements and financing requirements for an Energy Performance Contract.
2. Describe your firm's qualifications and capabilities to meet the requirements of this RFP, note any similar engagement in which your firm has been involved and length of time between selection and funding for those engagements.
3. Provide the contact personnel including senior level management who will be responsible for the relationship between your firm and the Authority. Identify the primary contact for this engagement.
4. Please disclose any conflicts of interest or potential conflicts of interest that may arise as a result of your being hired for this engagement. Identify fully the extent to which your firm or individual partners or employees are the subject of any ongoing securities investigation, are a party to any securities litigation or arbitration, or are the subject of a subpoena in

connection with a municipal securities investigation. In addition, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years.

5. Describe/discuss any recommendations or alternatives the Authority may consider in structuring a financing program; especially those alternatives that result in a reduction in the cost of the program or provide additional value to the project for the Housing Authority.

TAB 3. Specific plans for providing the proposed services and price: (3- 4 pages max, excluding item 6)

1. Summary of Proposed Financing

- a. Lease Term **including 18 months construction:** _____
- b. Payment Frequency: _____ (monthly in arrears preferred)
- c. Interest Rate _____ lock _____ (Y/N) thru _____
- d. S&P Rating Required for proposed rate? _____ (Y/N) at _____ (A, A- or Lower than A-)
- e. Estimated time to complete S&P rating _____ (wks) Est. Cost \$ _____ included in proposed Interest Rate _____ (Y/N)
- f. Offer require waiver of Section 30 of the 1937 Housing Act? _____ (Y/N), If “No” please include in your response on a separate sheet after this page, a section titled **“Approach to Section 30 Compliance”** clearly explaining your approach to equipment ownership and collateralization, citing appropriate regulations that allow for no Section 30 waiver and examples of successful EPC funding your Firm funded after July 2011 without such waiver.
- g. Other Fees and Expenses (not included in rate): _____
- h. Estimated period for Underwriting and approval : _____ (days /weeks)

2. Included with this proposal are typical historical financial data required for underwriting. Additional information will be furnished upon request. Please provide a brief explanation your underwriting and approval process, including the anticipated time period. Please note any factors that may adversely impact your forecast.
3. Please list any additional documents that will be required during the underwriting period in addition to those provided with this solicitation.
4. Please specify any requirements or documentation, if any that will be required in funding the lease (e.g., opinions, assignment provisions, bonding, etc).

5. On a separate attachment, please provide an amortization schedule for the repayment of the loan based on rate provided in 1d above. ***A cash flow proforma for the project is not available at this time. Should the need arise for adjustments to annual debt service payments in the initial payback years as is customary for these projects to meet EPC legislation and regulatory requirements, a revised amortization schedule will be requested.***

SECTION III: EVALUATION AND AWARD CRITERIA

- A. All proposals received will be reviewed and evaluated by a Selection Committee consisting of representatives from Johnson Controls and the Housing Authority. The Selection Committee will recommend proposals, which most closely meet the requirements of the RFP. The following will be used in making the selection:
 1. Offeror's Qualifications & Experience) -- This criterion includes the ability of the Offeror to meet the terms of the RFP **(30%)**
 2. Financial Terms and Conditions -- Proposals that responsibly maximize the net economic benefit to the Housing Authority over the term of the Agreement and that responsibly minimize the risk to the Housing Authority in connection with the proposed transaction. **(70%)**

Award of Contract:

- C. Selection shall be made of the Offeror deemed to be fully qualified and best suited among those submitting respondents on the basis of the evaluation factors included in this Request for Proposals, including total cost of acquisition (price). Negotiations may be conducted with the Offeror so selected. Price shall be considered, but need not be the sole determining factor.
- D. The Authority may cancel this Request for Proposals or reject proposals at any time prior to an award. The Authority is obligated under this request to furnish statement or statements providing reason(s) why a particular proposal was not deemed to be the most advantageous.

The following are included attachments to this Request for Proposal:

Audited Financial Statements for the previous 3 years
Approved fiscal year budget
Copy S&P Rating Certificate

Due Date: **Friday, May 25, 2012**