

SCOPE OF SERVICES

Commercial Property Assessed Clean Energy (PACE) Program Administrator

DATE

[LOCALITY], [DEPARTMENT] is soliciting proposals for the provision of the above-referenced goods/services as outlined in this document.

Your proposal must be submitted in Adobe Acrobat (PDF) electronic format via email to [CONTACT EMAIL] no later than [TIME] EDT on [DATE]. The proposal should be clearly marked as PACE Proposal Submission and should be comprised of only one electronic document in PDF format.

Should you have any questions regarding the technical information or scope of services contained in this document, please contact [NAME] at [EMAIL or PHONE].

The Scope of Services contained in this document and the responses to the proposal will be made applicable, at the [City/County]'s option, in any contract issued as a result of this solicitation. A copy of the Acknowledgement Page must be included with the proposal.

PACE Program Administrator
LOCALITY, DEPARTMENT
Acknowledgement Page

ACKNOWLEDGEMENT

The offeror must include a signed acknowledgement that all terms and conditions of the offer may, at the [City/County]'s option, be made applicable in any contract issued as a result of this solicitation. Offers that do not include such an acknowledgement may be rejected. Executing and returning (with the offer) the acknowledgement shown below will satisfy this requirement.

The undersigned agrees that all the terms and conditional of this solicitation may, at the [City/County]'s option, be made applicable in any contract issued as a result of this solicitation.

Business Firm's Typed Name: _____

Printed name and Title of
Person Authorized to Sign Proposal _____

Signature: _____ Date: _____

NAME AND SIGNATURE REQUIREMENTS FOR PROPOSALS AND CONTRACTS

The correct legal business name of the offeror must be used in all contracts. The trade name (i.e. shortened or different name under which the firm does business) must not be used when the legal name is different. Corporations must have names that comply with State Law. If the title of the individual signing the proposal is not "President" or "Vice President", provide verification of the signature authority with your submittal.

PACE Program Administrator
LOCALITY, DEPARTMENT
Scope of Services

1. Background

LOCALITY, Virginia (the “City”/ “County”), requires a contractor to provide Commercial Property Assessed Clean Energy (“PACE”) Program Administrator Services for the Department of Finance (“FIN”). Program Administrator Services are intended to provide all commercial PACE program administrative services as described in this document.

The [City/County] has authorized the establishment of a PACE program (the “PACE Program”) to provide financing for eligible improvements to qualified property owners in the [City/County]. The PACE authorization provides the [City/County] with the duty of PACE surcharge collection via the property tax bill. The surcharge is the annual PACE loan repayment, including principal, interest, and related charges, which funds an improvement and is collected through the real property tax billing process. Surcharges will be placed on the individual properties based on their voluntary participation through the borrowing of funds to make eligible energy improvements to their property. [LOCALITY] Bill # (the “Bill”) is the local adoption of legislation to implement a program. PACE financing is available to eligible commercial, industrial manufacturing, agricultural, multifamily (with five+ dwellings) and institutional property owners for eligible energy improvements.

The [City/County]’s implementation of the PACE Program intends to utilize a third-party Program Administrator (“PA”) but will not/and will be utilizing a [City/County] Designated Lender. This solicitation will serve to assist with the selection of the party that will provide the necessary services to develop, launch, and operate the PACE Program in the [City/County]. The [City/County] reserves the right to select a provider at their sole discretion from the respondents.

The [City/County] is sponsoring the program to facilitate and finance qualified energy efficiency improvement projects and renewable energy projects for organizations, institutions and businesses within their jurisdiction. The [City/County] has a population of approximately XXX residents and is located near _____.

The [City/County] believes that the PA role will provide for a streamlined application and administrative process which will facilitate project installations by providing clear guidelines for participation in the program to local businesses, energy contractors and potential financiers of these projects. Engagement of local business groups, energy contractors and capital providers will be a key component of the success of the Program and respondents should discuss their experience and capacity with market development for the delivery of energy-related improvements and financing products. The PA will be expected to provide all administrative, marketing, operational, and management services necessary to operate a robust program. It must be willing to work with a variety of financing providers and to reach out to capital providers, including local banks, for inclusion in the program. All capital providers must agree to alignment with Program criteria and payment of all documentation costs and [City/County] fees, including PA fees for the establishment of the account for ongoing billing and payment disbursement.

Council Bill # provides eligibility information for all parties to contemplated transactions. Property owners must meet specific eligibility criteria including qualification of the property, a requirement for an appropriate energy audit for the project, express written consent of any existing mortgage or deed of trust holder, and proof that current tax bills have been paid. While not specifically mentioned in the bill, costs for permitting, inspections and other fees associated with the improvements are eligible for funding. The PA will be expected to maintain a list of contractors who have registered with the PACE Program and confirm both registration to do business in the Commonwealth of Virginia and proper licensing of those contractors in the Commonwealth of Virginia. The PA will be expected to maintain a list of capital providers who have registered with the program and confirm their registration to do business in the Commonwealth of Virginia. The [City/County] will not be issuing bonds secured by the underlying property owner agreements and all funding must come from external sources.

The surcharge may be imposed under a written agreement between the [City/County], the Borrower and the Capital Provider which will be recorded in the Land Records of [LOCALITY]. The PA is expected to review all documentation evidencing the loans and surcharge obligations to make sure that both requirements of [LOCALITY] Code and procedures developed in conjunction with [LOCALITY] Department of Finance are met. The PA will be responsible for drafting all documents and documentation relevant to program administration for approval of the [City/County] prior to implementation.

The [City/County] must collect the amount financed through a surcharge on the property owner's real property tax bill and forward payments received by the [City/County] to the PA no later than 30 days after the payment is received. Payment due dates for semi-annual real property taxes are [MONTH DAY] for the first installment and [MONTH DAY] for the second installment, and for annual real property taxes the payment due date is [MONTH DAY]. Payments received from a property owner shall be credited first to all [City/County] taxes, assessments and charges and then to the surcharge.

If the property owner sells the qualified property, the buyer must continue to pay the surcharge levied on the property tax bill. The surcharge and any accrued interest or penalty constitutes a first lien on the real property to which the surcharge applies until paid. An unpaid surcharge, will be, until paid, a lien on the qualified property from the date it becomes payable. The surcharge will accrue interest and penalty and be treated and collected like all other [City/County] property taxes. Any delinquency will be collected through the [City/County] Tax Sale process. The provisions of the Virginia Code that apply to a tax lien will also apply to the lien created under this law.

[City/County] funds will not be used to reimburse the PA for costs incurred during program development, launch or operations. The respondent's proposed fee arrangement should be adequate to recover all costs of operations.

2. Specifications/Work Statement

The PA will be responsible for all program administration tasks. The PA will provide all services related to accepting, processing and approving applications through closing funding for eligible projects. This includes providing and maintaining a Program website and development of an application processing system. The PA will also be responsible for marketing, customer service,

and contractor registration. This includes coordinating outreach and education activities with [City/County] departments such as the [LOCALITY] Economic Development Authority and other community partners. Additionally, the PA will work with the [City/County] to complete recordation of the tri-party agreement among the capital provider, the [City/County] and the property owner. The PA will be expected to annually report surcharge amounts to the [City/County]. Upon the receipt of surcharge payments, the PA will reconcile against amounts due and disburse funds to the capital providers.

The PA will be required to support an “open market” structure by designing the program to be accessed by all qualified contractors and all qualified capital providers. Proposal should include outreach efforts to these constituencies.

Following are minimum expectation that should be considered in the drafting of PA proposals:

- **Program Administration** – Be in charge of or assist with drafting the Program Guidelines that will document all PACE Program processes, procedures, and requirements along with roles and responsibilities of team members. All PACE Program administrative duties will reside with the PA and may be assigned to subcontractors, if documented and approved by FIN, with the final obligation for delivery resting on the PA. It is expected that PA will conduct regularly scheduled progress meetings during the implementation phase of the project.
- **Application Processing** – Set up the procedure for approval of applications, retaining records of each application, confirmation of the eligibility requirements data, lender consent, approval and subsequent processing. Individual property and project underwriting is expected to be a function of the capital provider for the project. Upon final approval of the application, the PA shall provide to the [City/County] a calculated surcharge obligation and repayment schedule for each property tax account in the project.
- **Monitor and Coordinate Program Administration** – Monitor and coordinate all components of the PACE Program related to the development and ongoing management of the PACE Program administration.
- **Data Management** – Maintain a database of all PACE Program financings, terms, surcharge amounts, capital providers and status. This database should be capable of tracking by project, property or obligation and provide for reconciliation and reporting. The PA must perform periodic backup of all data related to the [City/County] PACE Program that can be recovered at the request of the [City/County] at any point in time as needed. Further, the PA may be exposed to confidential information and the disclosure of such information could violate rights of private individual and entities. A brief discussion of such capacity to perform and your protocols to protect confidential information should be included in this proposal.
- **Annual Surcharge Submission** – Prepare and submit updated parcel repayment amounts for inclusion as a surcharge on the real property tax bill by [MONTH DAY] of each year. Data items will include the Parcel Number of the property and the annual surcharge amount. All data will be submitted in an ASCII format as required by the [City/County].

- **Receipt and Disbursement of Payments** – Receive payment of surcharge from the [City/County], preferably as an ACH payment, reconcile with amounts due, and disburse payments to capital providers.
- **Continuity of Service** – In the event of PA termination or end of the contract term, the PA must provide to the [City/County], or to a successor PA, the data related to the [City/County]’s PACE Program and other proprietary information reasonably requested by the [City/County] in order to affect the orderly transition for the [City/County] from the applicable PA, in whole or in part, to an alternate PA. The obligation of the PA to provide the termination services will survive the termination or expiration of the agreement for whatever reason. Termination services must include developing a plan for the orderly transition to the [City/County] or successor PA of the extracted PACE Program data in a format and timeframe mutually agreed upon by the parties.
- **Education and Outreach** – Develop education and marketing information tools for PACE Program promotion. Engage with contractors, industry, capital providers, economic development and property owner groups to promote Program funding and opportunities for local projects. This should include outreach to non-profit owners and community-based facilities.
- **Program Website** – Develop or support PACE Program website for program information. Potential use for application submission, processing status and payment history, along with contractor and capital provider information including registration tools is desired.
- **Call Center** – Maintain adequate staff to provide call center resource information to contractors, property owners, and capital providers for submission of applications, identification of approval and funding status, and ongoing support related to surcharge collection questions.
- **[City/County] Annual Report** – Working with [City/County] staff, identify relevant PACE Program information for reporting and marketing purposes. Provide annual report of PACE Program results by September 1 each year for the previous fiscal year ending June 30th.

3. Performance Period

TERM

The effective date of the Contract arising out of this proposal begins upon the signature of the [City/County] Executive. This contract will be for a period of one year with an option to renew 4 times for one additional year each at the sole discretion of the [City/County].

4. Method of Award/Evaluation Criteria

a. **PROCEDURES**

1. Upon receipt of proposals, the Evaluation Committee will review and evaluate all proposals in accordance with the evaluation criteria listed below under Section 4.a.2.

2. The Evaluation Committee will make its award recommendation of the highest ranking offeror based on the score for the criterion in Section 4.a.2.
3. The [City/County] may elect to interview any selected finalists prior to making a final selection.
4. The [City/County] reserves the right to cancel the solicitation.

b. EVALUATION CRITERIA

Evaluation Criteria	Points
Project Origination Plans including marketing, education, and outreach/promotion of the program (website, webinars, local meetings, staffed call center)	30
Cost and Fee Structure for Administration (one-time fee, annual fee etc.)	20
Company and staff experience with PACE and/or related program administration	35
Underwriting capabilities relative to property owner/project compliance with Program requirements.	10
Experience working with multiple organizations on a program and established relationships with capital providers and contractors.	5
Highest possible score for proposal evaluation	100

5. Submissions

PROPOSAL SUBMISSIONS

FAILURE OF AN OFFEROR TO SUBMIT ALL REQUIRED PROPOSAL SUBMISSIONS MAY RENDER YOUR PROPOSAL UNACCEPTABLE.

Proposal must be submitted in Adobe Acrobat (PDF) electronic format via email to [EMAIL]. The proposal should be clearly marked as PACE Proposal Submission and should be comprised of only one electronic document in PDF format.

Proposals will be evaluated only on what is submitted. The offeror must submit sufficient information to enable the Evaluation Committee to evaluate the offeror’s capabilities and experience. Proposals must include the following information:

- a. A cover letter with brief description of the firm, including the offeror’s name, address, telephone number, and email address.
- b. The Acknowledgement (page 2) of this solicitation must be submitted and signed by a person authorized to bind the offeror to the proposal.
- c. At least three references that may be contacted to attest to the quality and timeliness of the offeror’s work of a similar nature and scope to the scope required by the [City/County].

PROPOSAL RESPONSE

Please prepare proposal response according to the categories and information requested in this section.

Responses should be no more than 20 pages with a minimum 10-point font and with 1-inch margins. A cover letter that does not exceed two (2) pages may be attached to your materials and will not count against the page limit, nor will any appendices, exhibits, screen shots, resumes, or any included financial verification documentation. Responses to the requested information should be given in the same order provided in this request and exhibits should include narrative reference and explanation as may be needed to provide context. Respondents should not make any exceptions from the stated scope of services.

a. Program Development and Launch

- Please discuss your understanding of the PACE Program development phase and qualifications to perform the necessary tasks. This should include your understanding of the [City/County] and Virginia’s enabling legislation and options on how to implement the [City/County]’s PACE Program within the guidelines authorized by the legislation.
- Provide a detailed task list and timeline for PACE Program development and launch.
- Discuss experience with development of programmatic-based opportunities. Identify challenges, resolutions and lessons learned.
- Describe experience drafting PACE Program documents that govern operations, including Program Guidelines. You may attach samples of documents utilized with respect to other PACE programs.
- Provide evidence of capacity to build or otherwise acquire database resources capable of processing applications, tracking approval and funding status, tracking surcharges by property and providing reports.
- Discuss capacity to build, acquire or support a website for the PACE Program. How you anticipate it to be used, what sort of content should be included, who will be responsible for maintenance of site.

b. Project Origination – Program Education and Outreach

- Provide identification of education and outreach tools that will be developed, discuss deployment of resources, outreach targets and marketing strategy.
- Discuss experience in successful promotion of financing programs.
- Discuss experience with energy-related programs, preference given to experience with the adoption and installation of energy technologies in commercial buildings.
- Discuss capacity and experience marketing to non-profit and community-based facilities.
- Include example of related education and outreach materials.
- Identify staff that will be assigned to education and outreach and their specific qualifications.
- Discuss your preliminary understanding of the [LOCALITY] PACE market and how you intend to promote pre-launch, at launch, and thereafter.

c. Program Operations

- Discuss your vision of program operations at launch and after three months, six months, one year and two years. Include number of projects, types of projects, dollar value of projects and pipeline of projects in development.

- Describe your ability to fulfill ongoing administration relative to the scope of service detailed above. Please discuss and amendments to the scope and the reasons for such amendments.
- Identify your anticipated role and available resources to support obtaining existing mortgage-holder consent.

d. Project Team / Company Information

- Identify all team members along with their respective roles and responsibilities.
- Provide 3 references for similar or related assignments. For references, identify agency/company, primary contact, address, telephone, e-mail and brief description of work provided. Include primary contact for your firm.
- Provide link to firm’s financial statements; or if privately held, identify firm’s structure, principal owners and history.
- Identify all sub-contractors, partners or other contracted entities you may utilize in fulfilling the PA duties set forth herein.

e. Fees

- Proposed fees as a dollar amount or percentage of the loans originated through the program. The [City/County] does not intend to provide any upfront development funding; all fees will be paid by fees charged to the participating property owners through the annual PACE surcharge. Please list all fees and costs that will be associated with managing the program, including closing costs/fees, ongoing fees, and charges to be added onto the annual surcharge, if any. (All costs associated with performing the PA function should be included.)

MANDATORY MINIMUM INSURANCE REQUIREMENTS

Program Administrator for the PACE (Property Assessed Clean Energy) Program

Prior to contract execution by the [City/County], the proposed contractor and their sub-contractors shall procure at their own cost and expense until all of their obligations have been discharged, including any warranty periods and all extensions under this Contract are satisfied, insurance against claims which may arise from or in connection with the performance of the work hereunder by the contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants and shall not be construed as a limitation of any potential liability on the part of the contractor to the [City/County] nor shall failure to request evidence of this insurance in any way be construed to be a waiver of the contractor’s obligation to provide the insurance coverage specified in this Contract. The [City/County] in no way warrants that the minimum limits contained herein are sufficient to protect the contractor from liabilities that might arise out of the performance of the work under this Contract by the contractor, agents, representatives, employees or sub-contractors and contractor is free to purchase such additional insurance as may be determined necessary. Subject to applicable law, the insurance companies providing insurance coverage, as referenced in this agreement, may not limit coverage to their insured, or the [City/County] as an additional insured, to stated minimum amount(s) of insurance referenced in this contract/agreement.

Insurance coverage shall be provided through an insurance company/companies licensed to conduct business in the State of Maryland and acceptable to the Office of Risk Management. The contractor's insurance shall be primary. The insurance must be evidenced by a certificate of insurance, and if requested by the [City/County], the contractor shall provide a copy of the insurance policies and additional insured endorsements. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and any required endorsements are to be received and approved by the [City/County] before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

Professional Liability Insurance, in an amount not less than **three million dollars (\$3,000,000)** per claim and annual aggregate, *covering all acts, errors, omissions, negligence, infringement of intellectual property, network / cyber and privacy risks (including coverage for unauthorized access, failure of security, virus transmission, data damage/destruction/corruption, breach of privacy perils, unintentional or wrongful disclosure of information, as well as notification costs and regulatory defense)* in the performance of services hereby contracted for with [LOCALITY], Virginia or on behalf of [LOCALITY], Virginia hereunder. Such insurance shall be maintained in force at all times during the term of the agreement and for a period of two years thereafter for services completed during the term of the agreement.

Crime Insurance / Fidelity Bond, in an amount not less than **one million dollars (\$1,000,000)**.

The bond or policy shall include coverage for all directors, officers, agents and employees of the Program Administrator. The bond or policy shall include coverage for third party fidelity and name [LOCALITY], Virginia and their clients as loss payee where as their interests may appear. The bond or policy shall include coverage for extended theft and mysterious disappearance. The bond or policy shall not contain a condition requiring an arrest and conviction. Policies shall also include coverage for computer crime/fraud and funds transfer fraud.

Policy Cancellation

Should any of the above policies be cancelled before the expiration date thereof, written notice must be delivered to the [City/County] in accordance with the policy provisions.

Certificate Holder

[LOCALITY], Virginia
Department of Finance/ [NAME], Director
[ADDRESS]

CERTIFICATE OF INSURANCE REVIEW FORM

PLEASE REVIEW THE FOLLOWING INFORMATION AND ATTACHMENTS TO THE FORM FOR (CHECK ONE)

<input type="checkbox"/> PRE-BID REQUIREMENTS	<input type="checkbox"/> CONTRACT REQUIREMENTS
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ATTACHMENTS (CHECK AS APPROPRIATE)

<input type="checkbox"/> CERTIFICATE OF INSURANCE								
<input type="checkbox"/> INSURANCE REQUIREMENTS SPECIFIED IN:	<input type="checkbox"/>	RFP	<input type="checkbox"/>	IFB	<input type="checkbox"/>	CONTRACT	<input type="checkbox"/>	AMENDMENT
<input type="checkbox"/> SPECIFICATION/SCOPE OF SERVICES OF:	<input type="checkbox"/>	RFP	<input type="checkbox"/>	IFB	<input type="checkbox"/>	CONTRACT	<input type="checkbox"/>	AMENDMENT
CONTRACT VALUE:						\$0		
NAME OF CONTRACTOR:								
SERVICES PROVIDED:		Program Administrator for PACE (Property Assessed Clean Energy)						
AGENCY/DIVISION:								
CONTRACT MANAGER:		PHONE #:			EMAIL:			

Comments:

<input checked="" type="radio"/> THE ATTACHED SCOPE OF SERVICES REQUIRES THE FOLLOWING INSURANCE COVERAGE:	<input type="radio"/> THE ATTACHED CERTIFICATE OF INSURANCE:
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REQUIREMENTS:	MEETS REQUIREMENTS	DOES NOT MEET REQUIREMENTS	RECOMMEND WAIVER
<input type="radio"/> WORKERS' COMPENSATION & EMPLOYEES LIABILITY	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/> COMMERCIAL GENERAL LIABILITY	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/> AUTOMOTIVE LIABILITY	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input checked="" type="radio"/> PROFESSIONAL LIABILITY w/ Privacy Cyber \$3,000,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/> ADDITIONAL INSURED	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/> NOTICE OF CANCELLATION PER POLICY PROVISIONS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input checked="" type="radio"/> CRIME / FIDELITY \$1,000,000	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PLEASE LIST THE REASON(S) FOR WAIVER, IF APPLICABLE, IN THE COMMENTS SECTION BELOW.

Comments:

PREPARED/APPROVED: _____

DATE _____