Ohio | Development Services Agency

John R. Kasich, Governor David Goodman, Director

Alternative Fuels Transportation Program
Request for Proposals (RFP)

Program Guidelines and Proposal Procedures

- RFP Released – February 8, 2016
- Letter of Intent (LOI) Due – March 16, 2016
- Mandatory Bidders' Conference – March 23, 2016
- Written Questions – through April 13, 2016
- Formal Proposals due – April 20, 2016

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I. OVERVIEW

In accordance with the Ohio Revised Code (ORC) 122.075 – the Ohio Development Services Agency (ODSA) solicits proposals for the Alternative Fuels Transportation Program (AFT) within the State of Ohio. The project is defined by all materials submitted for this RFP and within the approved loan documents. It is anticipated that loan recipients will have 12 months to complete the project. A total of $2.9 million in loan funding is available in state Fiscal Year 2016. Grants of up to $10,000 in forgivable loan principal are available for the costs of educational and promotional materials for selected loan projects.

The ODSA reserves the right to fund any proposal in full or in part, to request additional information to assist in the review process, to reject any or all proposals responding to this RFP and to re-issue the RFP and accept new proposals if the ODSA determines that doing so is in the best interests of the State of Ohio. Issuing this RFP does not bind the state to make an award. Any award of funds in respect to this RFP will be subject to availability of funds. This RFP is not a contract or commitment of any kind on behalf of the ODSA. The ODSA administers this RFP and reserves the right to adjust the dates for this RFP for whatever reason it deems appropriate.

Through this program, the ODSA seeks to encourage and promote the deployment of alternative fuel infrastructure and use of alternative fuels throughout Ohio. ODSA will accomplish this mission by offering low-interest financing on the installation of alternative fuel refueling or distribution facilities and associated educational and promotional materials. Alternative fuels are defined in O.R.C 125.831 as being E85 blend fuel, blended biodiesel, natural gas, liquefied petroleum gas, hydrogen, compressed air, or any power source including electricity. Natural gas, more specifically and for the sake of eligibility, will be compressed natural gas (CNG) and liquefied natural gas (LNG). The ODSA has determined that with the current funds available and in support of Energy Pillar 6/CNG, that both CNG and LNG refueling stations will be afforded preference in the evaluation of proposals. All technology must be commercially available, defined as being available for purchase by the general public or target audience within the state, and loan funds may not be used to conduct research, development, or demonstration of alternative fuel technology. All selected projects must be in compliance with all local, state, and federal regulations.

The goals of the Alternative Fuels Transportation Program are to:

- Increase the use and availability of alternative fuels;
- Improve alternative fueling infrastructure throughout Ohio;
- Increase the resilience of Ohio's alternative fuels supply chain;
- Educate the public on the use of alternative fuels; and
- Improve Ohio's air quality;

Interested entities should review the program guidelines to determine the eligibility of their proposed projects.

Beginning February 4, 2016, eligible applicants may submit a Letter of Intent (LOI); this is the required first step of the proposal process. All LOIs must be received by March 16, 2016. All LOIs will be reviewed and evaluated to determine their eligibility according to the requirements of the AFT. **No proprietary or confidential information can be included in the LOI as all LOIs will be posted to the Ohio Development Services Agency website**. All applicants will receive written notification outlining the next steps in the proposal process, which will include a mandatory bidders' conference. Financial assistance will be awarded to those proposals determined by the ODSA to meet or exceed the program goals and be most meritorious relative to other proposals that may then be pending.

Funding Available:

Funding is made available through the Alternative Fuels Transportation Fund established through Ohio Revised Code (ORC) 122.075. All projects awarded loan funds must comply with the associated requirements.

This RFP shall be made available based on the schedule published on the cover page and active until all allocated funds have been exhausted. The ODSA, at its discretion, may amend this RFP, the timetable for awarding funds, the award amount, the funding availability amount, or criteria for awarding funds. Qualifying proposals will be funded until all the funds available for distribution under this program are awarded or the ODSA determines the program no longer suits the best interests of the State of Ohio.

Eligible Entities:

The following entities are eligible for this program:

- Businesses
- 501(c)(3) nonprofit organizations
- Public School Systems
- Local Governments

Minimum Project Requirements for all Eligible Projects are:

- Businesses and 501(c)(3)s must be registered with the Ohio Secretary of State and remain in good standing to conduct activities in the State of Ohio for the duration of the loan.
- The applicant must be the property owner or hold a long-term secured lease agreement with the property owner. The property owner must be an eligible entity.
- Program activities must occur in Ohio.
- Applicants must notify the ODSA of any and all local, state or federal funds for which they are planning to apply, or which they have received, for the project in question.

- All project components must be new or remanufactured parts with a minimum of a one-year warranty.
- Expenses incurred prior to the term of the loan agreement are not eligible for funding or as cost share unless otherwise approved by the ODSA as defined in a term sheet issued to qualified projects.
- Project equipment must NOT be ordered, purchased, or installed prior to having an executed agreement with the ODSA or unless otherwise approved by the ODSA.
- All projects must include quotes from non-affiliated third party vendors and subcontractors (on their own letterhead). Submitted quotes may not be older than 6 months from the program release date to be considered valid.
- All applicants must provide proof of adequate supply of fuel.
- The project must allow for some level of public access to the fueling station.
- The applicant must provide a minimum of 25 percent of the total eligible costs of the project outlined in the approved budget. The following terms and conditions will apply to the programmatic match requirement:
  - State and federal incentives are not allowable for purposes of meeting this minimum match requirement but may be used as match above and beyond the required 25 percent;
  - A commitment to cash matching by amount, use, and source will be required at the time of the proposal; and
  - The cash match requirement must be secured and in place at the time of closing.
- All projects will have expected energy, economic, and environmental impacts that include:
  - The project must provide compelling evidence of demand in the market in which the facility or station will be located. Compelling evidence could be a site-specific market study, signed contracts, letters of commitment, memorandums of understanding or other documented evidence of a potential customer base;
  - An economic payback of no more, and preferably less, than 15 years as determined by the submitted proposal. This allows the loan to be paid back within a reasonable time period;
  - The creation or retention of jobs, new or retained payroll for jobs, new capital investment, return on investment, or other economic impacts will be considered through this program; and
  - Improvement in environmental quality must be achieved as a benefit of completing the projects and must be calculated in the proposal.
- Each applicant must meet all applicable state and federal rules, regulations, and permitting requirements. For any project selected, the applicant will be responsible for obtaining the appropriate permits and providing copies of the permits to the ODSA as a required benchmark in the project timeline.

- All applicants must execute all documents reasonably required by the ODSA as evidence of the loan.
- All applicants must adhere to regular reporting requirements on their project, including:
  - Progress reports during installation that describe the activities and work completed during the reporting period, work remaining to be completed, actual project costs, project variances, project successes, and/or project changes, which would result in a change of project scope of work or would affect the energy output of the project, and publicity;
  - Alternative fuel transportation reports for one year after the completion of the project that describe the gallon or gallon equivalent amounts of alternative fuel the applicant sells at retail, the emissions avoided, approximate cost savings versus traditional fossil fuels, downtime and/or maintenance issues with the installed equipment, and any publicity;
  - Financial data reports with support documentation such as invoices, financial statements, bills, receipts and proof of payments of the actual project expenses incurred; and
  - Each applicant must make public all non-proprietary information about the project and participate in at least two outreach activities, and provide two facility tours for interested parties as requested by the ODSA, during the term of the agreement and for one year after the loan agreement end date.

Specific activities eligible for support through this loan program include:

- **Alternative Fuel Infrastructure:** Eligible activities include engineering, construction and equipment costs related to installation of fully operational alternative fuel refueling stations or distribution facilities. This scope would include but is not limited to compressors, storage tanks, pumps, pipes, fuel lines, refueling equipment, monitoring equipment, required safety equipment, and electronic payment equipment. Additional requirements are:
  - Installed technology must be commercially available, defined as being available for purchase by the general public or target audience within the state;
  - All projects must include quotes from non-affiliated third party vendors and subcontractors (on their own letterhead). Submitted quotes may not be older than 6 months from the program release date to be considered valid;
  - Projects may be given priority if they are located farther than 50 miles from similar alternative fuel infrastructure technology, are available for public use along major transportation corridors, or located in strategically identified areas of need;
  - Project must allow for some level of public access to the fueling station; and,
  - CNG/LNG stations must be "Fast Fill Stations."

Specific activities eligible for support with the forgivable portion of loan funds include:

- **Alternative Fuel Infrastructure Educational Materials:** Eligible activities include marketing and promotional materials to assist in the activities of a fully operational alternative fueling station. The scope would include but is not limited to educational pamphlets, advertising, videos, and signage.

Project Limitations:

Ineligible costs include, but may not be limited to:

- The purchase of alternative fuel;
- The purchase of alternative fuel vehicles or vehicle conversions;
- Any work related to the construction of a new building, an addition, or an expansion project not directly related to the use and dispersal of alternative fuels;
- Non-alternative fuel-related alteration or upgrades or repair of a building or structure;
- To conduct or purchase equipment for research, development, or demonstration of alternative fuel equipment and technologies not commercially available;
- The purchase/rental of real property (land or buildings);
- Normal operating/administrative expenses (not directly related to an eligible project), equipment/machinery lease payments, purchases of consumable/disposable items unrelated to an eligible project, personnel expenses, including travel, and feasibility studies and planning will all be deemed operating/administrative expenses;
- Work done or expenses incurred prior to official notice of project funding approval;
- Costs incurred for work not included in the approved project scope; and
- Work completed by an affiliated entity without receiving prior approval from the ODSA.

II. PROPOSAL PROCESS

The ODSA receives and processes proposals based on a schedule and depending on availability of funds.

- A Letter of Intent (LOI) and formal proposal must be filed for each eligible project. The proposal must identify the eligible applicant, which will be the authorized representative of the eligible project in all matters related to any funds awarded through the Alternative Fuels Transportation Program (AFT) and will be solely responsible for all loan management responsibilities with respect to the project.
- Proposal materials will be reviewed by the ODSA.

1. Letter of Intent

   a. All prospective applicants must submit an LOI prior to submitting a formal proposal. In the LOI, the potential applicant must provide an overview of the proposed project, the applicant's qualifications, budget, and project timeline. This LOI is a **REQUIRED** step in the proposal process and can be found in Appendix B. Its purpose is:

      i. To facilitate a process by which the ODSA can determine the quality and scope of projects likely to be proposed;

      ii. To assist the ODSA in understanding market demand for the AFT program and the range of potential projects for which funding may be requested; and

      iii. To assist the ODSA in staff and stakeholder resource allocation.

   b. The LOI must be submitted to procurement@development.ohio.gov by midnight on March 16, 2016 to be eligible for the AFT RFP.

   c. Any feedback from the ODSA during the proposal process does not constitute a determination, either favorable or unfavorable, of the applicant's proposed project or a formal evaluation of the strength or weakness of any such proposal materials.

   d. Any feedback by the ODSA will be provided through written correspondence.

   e. No proprietary or confidential information can be included in the LOI as all LOIs will be posted to the ODSA website.

2. Mandatory Bidders' Conference

   a. Prospective applicants submitting an LOI, who intend to continue in the proposal process and submit a formal proposal, are required to attend the mandatory bidders' conference.

   b. Each applicant team may send as many representatives as it wishes but it's only necessary that at least one representative of each team attend.

c. The Bidders' Conference will be held on March 23, 2016 in Columbus, Ohio at the Vern Riffe Center for Government and the Arts at 77 South High Street in Columbus, Ohio, 31st floor, Room South A.

3. Proposal Procedures

a. For applicants submitting a formal proposal under this RFP, a non-refundable proposal fee of $250 is required.

b. Formal proposals will be considered only from applicants who complete and submit both their LOI and the formal proposal by the respective deadlines. All submitted formal proposals will undergo a competitive review process. The ODSA reserves the right to select projects that are determined to support the goals of the AFT program and best serve the interest of the State of Ohio.

c. Each proposal will undergo evaluation. If the proposal meets program requirements and is also deemed among the most meritorious, it will move forward through the competitive review process and will be submitted for financial review.

d. Prior to the selection of an eligible project for approval, each applicant must adhere to regulatory compliance with the Ohio Secretary of State, the Ohio Bureau of Workers' Compensation, the Ohio Department of Taxation, the Ohio Environmental Protection Agency, and other state agencies. Each applicant is responsible for ensuring there are no significant outstanding issues or liabilities with the State of Ohio. Any determinations of noncompliance may result in a proposal not being recommended for an award.

e. The ODSA reserves the right to request supplemental or clarifying information from an applicant at any time during the review process. If a loan is awarded to the applicant, the ODSA may also request additional information as may be necessary or useful to complete the credit review and loan documentation process.

4. Required Proposal Content

a. A completed cover page, contact form, and sources and uses budget as provided in Appendix A. Additionally, a budget narrative of a minimum of one page and no more than three pages is also required explaining the cost detail and use of the requested loan funds as well as the cost detail, source, and use of the required cash cost share.

b. A proposal narrative of no more than ten 8.5" x 11" pages with ¾" margins and no less than 11 point font consisting of the following sections clearly labeled as such:

i. **Background:** Concise information about the applicant's background and experience relevant to the proposed project. If the applicant is not the

property owner, provide background narratives for both the applicant and property owner and the nature of the partnership to include details about any lease terms and duration. Cover relevant business history as well as current operations and the length of time the applicant has been operating in Ohio.

ii. **Scope of Work:** A thorough discussion of the proposed project to minimally include the justification for the fuel type selected, infrastructure technologies employed, rationale for the project's size and location, proximity to heavily traveled routes and other alternative refueling stations of the same type, projected volume of the project both in terms of fuel as well as internal/external customers, public access measures, the statement of commitment to an amount of time the project will be run by the applicant, business plan, key personnel, and the objectives, tasks, and outcomes of the project.

iii. **Readiness and Timeline:** Ability and readiness to begin construction and complete construction within a twelve month time frame. List of major tasks with completion dates. Status of environmental, safety, regulatory, or permitting issues related to the proposed project.

iv. **Financial Need and Payback:** Justification for the need for financial assistance and/or what this assistance makes possible that otherwise wouldn't be. Proposed payback period and a discussion of the ability to payback and the revenue source.

v. **Impacts and Savings:** Any positive environmental as well as economic impacts that, as projections, can be quantified and also proven to directly relate back to the project once in operation such as Ohio sourced fuels or technologies, reduction of CO_2 emissions, or more efficient fleet operations that will result in a business expanding or creating new positions. If applicable, any cost savings that can be realized and how those savings can be utilized in other ways to enhance overall sustainability or expansion of the applicant in Ohio. An estimate of traditional fuel amounts saved.

c. The following documents and forms, some of which are included as blank in Appendix C: Supplier Information Form, W-9 Form, Direct Deposit Form, EPA Form, Financial Liability and Certification Form, Ohio Bureau of Workers' Compensation (BWC) Certificate, Ohio Secretary of State Registration.

d. Three years historical financial statements (balance sheet, profit and loss); Interim financial statement; Projected financial statements for the current and next three years; Personal financial statements; Debt schedule.

e. A market/feasibility study for the proposed project and site conducted by a source with subject knowledge of and expertise and experience with the Ohio alternative fuels market and existing infrastructure. An applicant can provide this market/feasibility study, no more than two years old, from any qualified source of their choosing.

f. Any additional documentation such as: signed contracts or letters of commitment that speak to the market demand and viability of the proposed project; and quotes from non-affiliated third party vendors and subcontractors.

g. Items a, b, and c above must be submitted as a single PDF document with items d, e, and f as their own separate single PDF documents for a total of four PDF documents.

5. Award Selection

a. Proposals will be evaluated based on the following: proposal completeness; applicant's experience and capabilities; reasonableness and achievability of the objectives, construction/permitting schedule, scope of work/business plan; project readiness; applicant's level of need for the loan; the project's financials to include the extent, type and quality of the project's cost share; the applicant's overall financial strength; and the ability of the applicant to pay back the loan in preferably fewer than 15 years.

ODSA has determined that with the current funds available and in support of Energy Pillar 6/CNG of Governor Kasich's Energy Plan, that both CNG and LNG refueling stations will be afforded preference in the evaluation of proposals. The evaluation will additionally consider:

- promise and viability of the project as documented by a credible market/feasibility study showing compelling evidence of demand in the market in which the facility or station will be located;
- publicly accessible refueling stations that make their alternative fuel available to the greatest number and volume of users and doing so in areas that are underserved by current stations per the following map: http://www.afdc.energy.gov/locator/stations/results?utf8=%E2%9C%93&location=ohio&fuel=all&private=false&planned=false&owner=all&payment=all&radius=false&radius_miles=5;
- proposals that have committed to utilizing purchased or installed facilities or stations for any type of alternative fuel and for the greatest number of years;
- proposals that have secured funding from other sources for the project;
- projects that provide the best opportunity for economic advancement to the state;
- projects that leverage fuel sources that perform more efficiently than other transportation fuels;
- projects that use the most advanced technology;
- projects that can demonstrate past success; and
- projects that respond to a current market need.

b. If the applicant satisfies all program requirements and financial criteria, and if selected for financial assistance based on an evaluation of merit, the applicant will be notified of the award in writing and pending availability of funds.

c. The ODSA reserves the right to reduce the requested loan amount for ineligible costs, cost redundancies, or any other cost inefficiencies evident in the proposal

materials or for reasons related to funding availability and fundable projects availability.

d. The decision of the ODSA in selecting proposals for approval is final and not appealable.

e. Written notification will be provided to all applicants as to the ODSA's final determination.

III. INQUIRIES

Prospective Applicants may make inquiries or seek clarifications regarding this RFP at any time during the inquiry period listed in the RFP Calendar of Events. To make an inquiry, prospective Applicants must use the following process:

1. Access the State Procurement web site at http://www.ohio.gov/procure.
2. From the Navigation Bar at the top, select "for Suppliers".
3. Under the title "Bid Opportunities", select "All Opportunities".
4. Enter the RFP Number found on Page 1 of this document as the "Document/Bid Number".
5. Click the "Search" button.
6. Select this RFP.
7. On the document information page, click the "Submit Inquiry" button.
8. On the document inquiry page, complete the required "Personal Information" section by providing the following:
    a. First and last name of the prospective Proposer's representative who is responsible for the inquiry;
    b. Name/Company/Business of the prospective Proposer;
    c. Representative's business phone number; and
    d. Representative's e-mail address.
9. Type the inquiry in the space provided, making certain to include the following:
    a. A reference to the relevant part of this RFP;
    b. The heading for the provision under question; and
    c. The page number of the RFP where the provision can be found.
    d. Enter the Security Number.
10. Click the "Submit" button.

Prospective Applicants submitting inquiries will receive an immediate acknowledgement by email that their inquiry has been received. **The prospective Applicant who submitted the inquiry will not receive an email response to the question, but will need to view the response on the State Procurement web site where it will be posted for viewing by all prospective Proposers.**

Prospective Applicants may view inquiries using the following process:

1. Access the State Procurement web site at http://www.ohio.gov/procure.
2. From the Navigation Bar at the top, select "for Suppliers".
3. Under the title "Bid Opportunities", select "All Opportunities".

4. Enter the RFP Number found on Page 1 of this document as the "Document/Bid Number".
5. Click the "Search" button.
6. Select this RFP.
7. On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

ODSA will try to respond to all properly posed inquiries within 48 hours, excluding weekends and state holidays. ODSA will not respond to any inquiries received after 5:00 p.m. on April 13, 2016. Prospective Applicants who attempt to seek information or clarifications verbally will be directed to reduce their questions to writing in accordance with the terms of this RFP and state purchasing policy. No other form of communication is acceptable, and use of any other form of communication or any attempt to communicate with ODSA staff or any other agency of the State to discuss this RFP may result in the Proposer being deemed ineligible.

Communication during Proposal Period

After the Projects are submitted for this program RFP, the ODSA reserves the right to request additional information from any or all Applicants to assist in its evaluation process. However, no Applicant, Client or others acting on their behalf may contact any ODSA staff member regarding this RFP, other than through the method described above. The Project Proposal Period is considered to be the date of the Letter of Intent submission for this RFP through the date of the award. Current Applicants responding to this RFP are expected to limit their contact to ODSA staff with whom they ordinarily interact regarding the administration of ODSA programs and grants. Applicants, Clients and others acting on their behalf are to avoid direct contact with ODSA staff, besides the designated project point person during the Proposal Period, other than that which might occur at regularly scheduled meetings. Applicants shall only discuss the current project with their designated project person. Discussing future proposals or any lobbying is strictly prohibited.

If an Applicant, Client and/or others acting on their behalf makes prohibited contact, the ODSA in its discretion may subject the Project to elimination from the RFP process.

IV. LOAN AGREEMENT

- Projects selected for loan funding will automatically be awarded support for the educational and promotion materials. Overall principle owed will be reduced up to $10,000 for such eligible activities.
- The program funds will be disbursed as loans at or below market rates of interest and serviced in-house by the ODSA.
- The loan term will be determined based on the project activities, project payback period, and the useful life of the allowable project costs/uses financed.
    - Up to 15 years for projects with refueling stations, distributions facilities and stations;
- The applicant must provide a minimum 25 percent of matching funds of the total project costs. Additional state and federal funds or tax credits are ineligible to be used by an applicant for meeting this match requirement.
- Maximum eligible loan amount is $750,000.
- Minimum eligible loan amount is $250,000.
- Maximum eligible amount of forgivable principal is $10,000 and is only available in conjunction with and as a part of a low interest loan of $250,000 to $750,000.
- In no event will the loan amount exceed 75 percent of total eligible project costs.
- The loan will carry 0 percent interest for six months after the close of the loan.
- The first loan payment is due 12 months from the close of the loan.
- Repayment of the loan may carry annual fixed interest rates that are set below current market rate. Interest rate is determined solely by the ODSA.
- Each applicant must provide a documented cash cost share for a proposed project. Cost share must be secured to close a loan.
- Loans will be made subject to customary loan documentation in form and substance acceptable to the ODSA.
- Loan program funds may be used to finance engineering, construction, and equipment purchase. The maximum term of the construction and procurement period will be 12 months.
- Security is determined on a case-by-case basis and can include the assets being financed, corporate guarantees or other collateral. Where practicable, the ODSA may require a first priority mortgage and/or security position on assets. The ODSA may require additional security in the form of one or more of the following: (1) personal guarantees from owners, major stockholders, members, partners or other persons with similar interests; (2) corporate guarantees from affiliate companies; (3) life insurance on key business owners, partners and/or managers; and (4) other comparable credit enhancement.
- The ODSA will not require any pre-payment penalties.

- The applicant will be responsible for entering into all agreements as required under the Alternative Fuels Transportation Fund and as necessary to complete the eligible project, including binding agreements with third party project partners. The applicant is responsible for complying with all applicable federal and state requirements, reporting procedures, and monitoring.
- All conditions to disbursement must be met before an eligible project may close a loan with the ODSA.

V. PROGRAM FEES

The following program fees are required of applicants selected for financial assistance.

1. A $250 non-refundable proposal fee is required upon submission of a formal proposal.
2. A non-refundable processing and commitment fee, equivalent to 1 percent of the loan amount, is due to the ODSA upon receipt of the signed term sheet. The minimum amount of the commitment fee will be $2,000.
3. An annual servicing fee equal to a quarter of 1 percent (.25 percent) of the outstanding principal amount of the loan will be assessed.