



Michigan Saves[®]

The Nation's First Nonprofit Green Bank

Request for Proposals: Financial Advising and Underwriting Support

Purpose

Michigan Saves is issuing this Request for Proposal (RFP) to identify financial experts with background in project finance to advise and support Michigan Saves in the implementation of its funding under the Environment Protection Agency's (EPA) Greenhouse Gas Reduction Fund (GGRF) National Clean Investment Fund (NCIF) and Clean Communities Accelerator (CCIA) programs. Michigan Saves invites proposals from organizations or individuals with expertise in lending and financial services (including underwriting and origination), financial planning and analysis, risk management, and/or transactions with borrowers and other capital providers. A description of our organization, services needed, and other pertinent information follows.

RFP Contact

All correspondence for this RFP, including submissions, should be directed to Kelsey Smith at ksmith@michigansaves.org. Email correspondence only, no phone calls.

Submission Instructions and Timeline

Please submit responses via email to Kelsey Smith at ksmith@michigansaves.org by 5:00 PM EST, **January 3, 2025**. If applicants have any questions in advance of the proposal deadline, please email Kelsey no later than 5:00 PM EST on December 11, 2024. Responses to questions will then be circulated to all interested parties in one email. If you would like to be on that distribution list, please email Kelsey.

Exhibit 1. RFP Schedule

RFP release	November 22, 2024
Deadline for submitting questions	December 11, 2024, 5:00 pm ET
Deadline for Michigan Saves response to questions	December 18, 2024, 5:00 pm ET
Deadline for submitting RFP response	January 3, 2025, 5:00 pm ET
Interviews of finalists, if necessary	Week of January 6 and 13, 2025
Successful bidders are contacted	Week of January 20, 2025
Michigan Saves Board of Directors approval	Week of January 27, 2025
Anticipated start date	February 3, 2025

Overview of Michigan Saves

Michigan Saves, the nation's first nonprofit green bank, is dedicated to accessible, equitable, and just investments in energy efficiency and clean energy to support healthy and thriving communities. Michigan Saves believes in an equitable transition to a carbon-free Michigan where everyone has access to the benefits of clean energy and climate-resilient solutions. Michigan Saves is part of this transformation by offering the financing solutions and contractor network that make energy efficiency and renewable energy improvements easy and affordable and by advancing a more energy-conscious culture in Michigan.

To date, Michigan Saves has facilitated over \$650 million in clean energy investments by offering a loan loss reserve to mitigate risk for local lenders that finance these projects. Michigan Saves also manages a statewide network of more than 1,000 authorized contractors with expertise in energy efficiency and onsite renewable energy systems. Additionally, Michigan Saves makes innovative, affordable financing for energy improvements through a network of authorized residential lenders (credit unions) and commercial lenders (banks), financial institutions, and equipment-leasing companies.

To date, Michigan Saves has used public funds, which have been endowed to the organization, as a credit enhancement to leverage private capital for energy efficiency and renewable energy improvements. Michigan Saves' existing credit enhancement is in the form of a loan loss reserve fund that reduces each lender's default risk, allowing them to offer below-market rates, expanded underwriting criteria, and greater access than they otherwise would have through traditional financing products. Michigan Saves' credit enhancement uses public funds to leverage private capital at a rate of \$30 to \$1, which is one of the highest leverage rates in the nation.

Michigan Saves is governed by a 13-member board of directors. The board includes a nonvoting board member appointed by the chair of the Michigan Public Service Commission. See MichiganSaves.org for more information.

National Clean Investment Fund

Under the \$14 billion National Clean Investment Fund (NCIF), the EPA selected three applicants to deliver accessible, affordable financing for clean technology projects nationwide, partnering with private-sector investors, developers, community organizations, and others to deploy projects, mobilize private capital at scale, and enable millions of Americans to benefit from the program through energy bill savings, cleaner air, job creation, and more. The Coalition for Green Capital (CGC) received a \$5 billion award. Michigan Saves is a sub-awardee on CGC's application and expects to receive approximately \$97 million in lending capital. These grant funds are expected to be used for loan capital and credit enhancements such as loan loss reserves to support new and expanded financing programs. Michigan Saves expects to lend directly to borrowers and coordinate with third-party lenders for origination and servicing of Michigan Saves' loan capital. Michigan Saves expects to execute its subaward agreement with CGC in the fourth quarter of 2024. This subaward

agreement, along with EPA terms and conditions, will guide Michigan Saves' lending and programmatic approaches and dictate compliance responsibilities.

Clean Communities Investment Accelerator

Under the \$6 billion Clean Communities Investment Accelerator (CCIA), the EPA selected five applicants to establish hubs that provide funding and technical assistance to community lenders working in low-income and disadvantaged communities, providing an immediate pathway to deploy projects in those communities while also building capacity of hundreds of community lenders to finance projects for years. As a community lender, Michigan Saves is eligible for up to \$10 million in lending capital and \$1 million in technical assistance funding for deployment in disadvantaged communities. Timing and details of this opportunity will be forthcoming.

Scope of Work

Michigan Saves expects to deploy the majority of its NCIF award as low-cost loan/financing capital for individual transactions aligned with NCIF criteria. Individual transaction sizes would be expected to be in the \$1-10M range (total project sizes may be larger and involve other financing partners). This would be for custom financing deals that may take the form of construction, term, or bridge loans, bonds, Act 99 agreements, or other financing structures that do not fall under existing Michigan Saves financing programs. This financing would be available to for-profit, governmental, and nonprofit entities. Michigan Saves would provide loan capital on its own or in conjunction with other lenders or capital providers. Michigan Saves may also participate in other lenders' loans through subordinate positions and/or lower-cost capital to make financing more accessible.

To support this effort, Michigan Saves **seeks one or more financial experts** to provide advisory, strategic counsel, and analytical support to facilitate the successful implementation of Michigan Saves NCIF and CCIA obligations in one or more of the core areas below. Respondents should explicitly address their qualifications and interest in one or more of the areas outlined below.

Respondents to this RFP may express interest in providing support for one or more of the areas below and need not cover all four areas.

Area 1: Due Diligence, Underwriting, and Structuring Support for Commercial Balance Sheet Lending

- Advise Michigan Saves on loan underwriting and origination processes for loan transactions in the range of \$500,000 to approximately \$10M (individual projects may be over \$10M and involve multiple lenders/capital providers).
- Support the Michigan Saves' Investments team in the screening, origination, underwriting, and structuring of individual financing transactions, that may involve loans, bonds, installment purchase agreements, or credit enhancements. This may include due diligence on applications, analysis of financial models, preparation of Investment Committee memorandum, and development and negotiation of term sheets and final loan documents. This effort may involve

close coordination with Michigan Saves' legal counsel, Investments Team, other third-party advisors, other capital providers, and prospective borrowers.

- Advise Michigan Saves on development and implementation of processes and tools to support its balance sheet lending capabilities.
- Monitor trends and benchmark financial offerings and transactions to identify market gaps that could be served by Michigan Saves and inform Michigan Saves' investment strategy.

Area 2: Design and Development for Participation Model and Other Financing Programs

- Support innovation and iteration of energy financing and credit enhancement programs, including program design and structuring, development of implementation plans, and cultivating internal and external resources needed for successful execution.
- Assist Michigan Saves in the deployment of a strategy to participate in the financing of commercial clean energy projects underwritten, originated, and serviced by third-party lenders, which may include banks, credit unions, community development financial institutions (CDFIs), and/or housing authorities. This would involve Michigan Saves providing capital to facilitate clean energy projects needing credit support and/or more attractive financing terms.
- Refine Michigan Saves' lender participation model, including a participation agreement governing the use of Michigan Saves capital, based on feedback from financial organizations and Michigan Saves' legal counsel.
- Advise on strategy to engage with organizations and individuals representing lenders in Michigan to gauge interest and obtain feedback. Participate in meetings with association representatives and individual lenders.

Area 3: Credit and Risk Management

- Advise on the refinement and implementation of Michigan Saves' risk management strategies, policies, and procedures in alignment with sound lending and financial management practices and evolving regulatory requirements.
- Provide financial expertise on credit policy, credit risk management strategies, and mitigation of financial risks.
- Work with Michigan Saves staff and other external advisors to identify, assess, and mitigate risks that may impact Michigan Saves' operations, reputation, and financial stability.

Area 4: Loan Servicing, Portfolio Analysis and Management

- Provide loan management and servicing support including loan accounting, borrower statements, payment collection, and reporting on loan delinquencies and defaults.
- Assist the Investments and Business/Operations Teams in developing financial portfolio analysis and management processes to support the portfolio of loan capital and credit enhancements.
- Advise on the development of financial modeling, forecasting, monitoring, and reporting tools to support portfolio management functions.
- Advise on the development and application of financial metrics related to liquidity, income, defaults, and fund sustainability) and related methodologies.

- Assist investment team on strategies to evaluate individual financing structures and overall portfolio performance.

Submission Requirements

Interested firms and individuals are invited to submit proposals addressing the following:

1. **Company Overview:** Provide a brief overview of your company, including its history, areas of specialization, and relevant experience in the financial services industry.
2. **Team Expertise:** Highlight the education, expertise, and qualifications of professionals who will be assigned to work with Michigan Saves. Bios and resumes are acceptable here. Preferred educational backgrounds: Individuals or teams with educational background in Finance, Business, Economics, Accounting, and similar fields. Individuals with MBA or CFA preferred.
3. **Experience:** Describe your company's experience in one or more of the following areas:
 - a. Project finance and other structured financings (including negotiation and deal structuring)
 - b. Credit analysis, due diligence, and origination
 - c. Lending/financial services compliance with focus on commercial lending compliance
 - d. Financing of energy and sustainability projects, including analysis of financial and technical performance
 - e. Experience working for or with community development finance institutions, banks, credit unions, public housing authorities, and capital providers

Note, experience with portfolio management, lending, and financial services in Michigan is ideal, but not required. Please identify the areas on which you are bidding.

4. **Approach and Methodology:** Outline your approach to providing financial advisory and consulting services to Michigan Saves for the areas (one or more) on which you are bidding.
5. **Pricing:** Detail your proposed fee structure, billing rates, and any additional costs associated with the services to be provided. Michigan Saves is interested in pricing structures that may provide greater certainty in containing costs while recognizing financing needs and the related scope of work may evolve over time and some services may be provided on an as-requested basis based on emerging needs of Michigan Saves. All proposed fee structures, whether fixed price or time and materials, must include a cost ceiling.
6. **References:** Provide references from current or past clients in the financial services industry who can attest to the quality of your firm's services.
7. **Disclosures and Certifications:**
 - a. **Diverse Vendor and Partner Form:** Complete and return the Michigan Saves diverse vendor in Attachment A.
 - b. **Required Terms and Conditions for Contracts Supported by Federal Funds:** Review Attachment B. Any executed contracts utilizing federal funds must incorporate the applicable

contract provisions required by 2 CFR Appendix II to Part 200. Michigan Saves will incorporate these provisions in the agreement presented to the successful bidder(s).

- c. Certification regarding Debarment: Review, sign, and return Attachment C.
- d. Certification regarding Lobbying: Review, sign, and return Attachment D.
- e. Conflict of interest statement: Include a statement to confirm that providing services to Michigan Saves under this RFP does not constitute a conflict of interest for your company or Michigan Saves. Respondent shall disclose any actual or apparent conflict of interest that may exist between the respondent, any employee or owner, or any party that the respondent contemplates may provide services or materials to Michigan Saves if the respondent is selected and any party having an interest in Michigan Saves.
- f. GGRF engagement statement: Indicate whether you are presently engaged or plan to be engaged with any other recipient of Greenhouse Gas Reduction Fund dollars

Respondents may include any other information that Michigan Saves should consider. All responses will be treated as confidential. Michigan Saves is not liable for any costs incurred by applicants in responding to this RFP.

Selection Criteria

Proposals will be evaluated based on the responsiveness to the RFP requirements, the company's expertise and experience in the financial areas above, and the proposed pricing structure.

All responsive submissions will be evaluated and awarded based in consideration of the following criteria:

1. Qualifications: The company's qualifications, technical competence, and experience relative to the core areas of service described in Scope of Work section above. A respondent that seeks to provide services for a subset of the four core areas of service (e.g., only Item 4, Portfolio Analysis and Management) will not be penalized in the scoring of this criterion. Respondents are encouraged to respond to all or a subset of the four core areas based on their interest, availability, and expertise.
2. Experience: Professional and educational experience of key personnel to be assigned to the project. Resumes of everyone who would be or could potentially be assigned work under a contract award resulting from this RFP.
3. Diverse vendor and partner form. Michigan Saves is committed to partnering with small businesses and businesses owned by members of underrepresented populations to break down barriers to growth that exist for minority business owners. Michigan Saves encourages the participation of businesses owned by minorities, females, and persons with disabilities in the implementation and execution of all projects, either on a direct basis or through sub-contracting efforts.
4. Cost: The proposed pricing structure, including billable rates and any discounts to nonprofit clients.

5. References: The company's experience with organizations conducting activities similar to those of Michigan Saves (e.g., Investment Funds, CDFIs, other Green Banks, Commercial Lenders).

After reviewing the responses, Michigan Saves may interview one or more respondents and engage in negotiations regarding the scope of work and other details. Michigan Saves expects to award a contract to one or more consultants based on the best combination of experience with similar work and reasonableness of costs in January 2025.

The issuance of this RFP and/or receipt of information from you or other respondents in response to it does not commit Michigan Saves to any course of action. Furthermore, this RFP does not imply that Michigan Saves is making an offer to conduct, expand, or terminate business with any respondent. Michigan Saves reserves the right to accept a complete response, or portion thereof, to accept multiple responses, or to accept none of the responses. All costs associated with preparing respondent's proposal in response to this RFP and for providing any additional information requested by Michigan Saves to facilitate the evaluation process, including but not limited to interviews, are the sole responsibility of respondent and will not be reimbursed by Michigan Saves.

Attachment A: Vendor and Partner Diversity Form

Michigan Saves is committed to engaging with partners and vendors that reflect the diversity of the many communities we serve. Our Diverse Partner and Vendor Program is an intentional opportunity for Michigan Saves to support our mission and break down barriers to growth that exist for minority business owners and ensure that everyone—without exception—has access to the benefits of energy efficiency.

Partner/Vendor Name: _____

Date: _____

Signature: _____

Please check all that apply to your organization:

- Disability-owned Business Enterprise
 - People with disabilities own and control at least 51 percent of the company.
- Lesbian, Gay, Bisexual, and Transgender Business Enterprise
 - LGBTQ+ individuals own and control at least 51 percent of the company.
- Minority-owned Business
 - Minority group members own and control at least 51 percent of the company.
- Service-disabled Veteran-owned Business
 - Service-disabled veterans own and control at least 51 percent of the company.
- Social Enterprise Business
 - A for-profit or nonprofit organization or venture that achieves its primary social or environmental mission using business methods.
 - Surplus is principally reinvested in social activities, not driven by need to maximize profit for shareholders and owners.
- Supported Business
 - Over 50 percent of the business's workforce are disabled individuals.
- Veteran-owned Business
 - Veterans own and control at least 51 percent of the company.
- Women's Business Enterprise
 - Women own and control at least 51 percent of the company.
- Women-owned Small Business
 - The company must be a small business.
 - Women own and control 51 percent of the company.
- None of these

Michigan Saves understands that the complex, and at times high-cost, diverse business certification process can present inequitable barriers for small businesses and thus does not require diverse

business certification from a national, state, or locally recognized third-party certification agency. Please self-certify if any of the above apply to your business.

While Michigan Saves does not guarantee business to any vendor, we are committed to providing diverse companies an opportunity to compete on a fair and equal basis for our business.

Additional Partner Questions

1. Is your organization located in or provide targeted services/programming to a specific community that could be defined as disadvantaged, such as those with a majority of low-income or minority households?¹
2. Does your organization offer programs or training to internal staff related to diversity, equity, and inclusion? If so, please describe your program.
3. Our lending partners are sometimes certified by or affiliated with groups or programs that help them establish their services in communities with the greatest need. Please check all the following designations or certifications that apply to your organization:
 - Community Development Financial Institution (CDFI) Certification
 - Minority Depository Institution (MDI) Designation
 - Low-income Designation (LID)
 - Other: _____

¹ To be considered a disadvantaged community, a community must have at least 30 percent of households classified as low income. If you would like more information on additional qualifiers, see examples at <https://www.energy.gov/diversity/justice40-initiative>



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Attachment B: Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

Any executed contracts utilizing federal funds must also incorporate the applicable contract provisions required by [2 CFR Appendix II to Part 200](#). Legal shall review such agreements to ensure compliance. These provisions include:

Equal Employment Opportunity

Contracts must include an Equal Employment Opportunity clause as specified in 41 CFR § 60-1.4(b), in accordance with Executive Order 11246, as amended by Executive Order 11375, and the regulations of the Secretary of Labor at 41 CFR chapter 60.

Davis-Bacon Act

All construction contracts over \$2,000 financed with federal funds must include a clause requiring compliance with the Davis-Bacon Act (40 U.S.C. 3141-3148) and the Department of Labor regulations at 29 CFR Part 5.

Copeland "Anti-Kickback" Act

Contracts and subcontracts for construction or repair must include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145) and Department of Labor regulations at 29 CFR Part 3.

Contract Work Hours and Safety Standards Act

All contracts awarded by Michigan Saves in excess of \$100,000 that involve the employment of mechanics or laborers must include a clause for compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

Rights to Inventions Made Under a Contract or Agreement

If the federal award meets the definition of a "funding agreement" under 37 CFR § 401.2(a), Michigan Saves must include a provision regarding rights to inventions made under a contract or agreement.

Clean Air Act and the Federal Water Pollution Control Act

Contracts and subcontracts in excess of \$150,000 must include a provision requiring compliance with all applicable standards, orders, or regulations issued under the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387).

Debarment and Suspension

A contract award must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM).

Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award exceeding \$100,000 must file the required certification under the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).

Attachment C. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this contract or proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in 22 CFR 513.105. The term "principals" includes, but is not limited to, officers, directors, owners, partners, and principal investigators. You may contact the person to which this proposal or contract is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by signing and submitting this contract or proposal that should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge

and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by signing and/or submission of this proposal or contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name of Vendor, Contractor, or Subgrantee: _____

Signature: _____

Name of Authorized Signatory: _____

Title: _____

Date: _____

Attachment D. Certification Regarding Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Name of Vendor, Contractor, or Subgrantee: _____

Signature: _____

Name of Authorized Signatory: _____

Title: _____

Date: _____