



Interior Gas Utility

Board of Directors Work Session & Special Board Meeting
November 13, 2018 @ 4:00 PM
100 Cushman Street, Ste. 512, Fairbanks, Alaska

DRAFT AGENDA

I. Call to Order

- Roll call
- Approval of Agenda
- Public Comment – *limited to three minutes*
 - Letter from Professor Ron Johnson read into the record (Madam Chair)

II. Special Board Meeting New Business

- GM Hiring Authority (Board Action)..... Pgs. 2-3
 - Resolution #2018-07, A Resolution Approving the Director of Operations Position and Clarifying the GM's Management and Personnel Authority
- USDA Grant and Loan Summary – Michelle Hollowell (Board Discussion)..... Pgs. 4-40

III. Unfinished Business

- RFP for Strategic Financial Planning (Board Discussion & Possible Action) Pgs. 41-61
- IEP Update (Board Discussion)
 - Storage Projects
 - North Slope Pad
 - Other Items

IV. Other Business

- Action Items List

V. Closing Comments

- General Manager Comments
- IGU Attorney Comments
- Directors Comments

VI. Adjournment

To participate via teleconference, call 1-800-315-6338; when prompted, enter 47499

Resolution # 2018-07



Considered on: November 13, 2018

Approved on:

RESOLUTION # 2018-07

A RESOLUTION APPROVING THE DIRECTOR OF OPERATIONS POSITION AND CLARIFYING THE GENERAL MANAGER'S MANAGEMENT AND PERSONNEL AUTHORITY

WHEREAS, in accordance with Article IV of the IGU bylaws the General Manager is responsible to the Board for the operation and Management of the Utility and

WHEREAS, IGU'S Transition Plan discussed establishing a number of positions, including the Operations Manager, but also contained language indicating that these positions were subject to the Board's approval; and

WHEREAS, notwithstanding the language in the Transition Plan, it is the intent of the Board that personnel decisions should be generally left to the discretion of the General Manager within the constraints of the Board adopted budget.

NOW, THEREFORE, BE IT RESOLVED BY THE IGU BOARD OF DIRECTORS AS FOLLOWS:

The General Manager is hereby granted the authority to establish the Director of Operations position and any other positions the General Manager determines is necessary to further IGU's mission within the constraints of the Board adopted budget. The General Manager shall also have general management authority over the hiring and other personnel decisions for IGU and it's wholly owned entities as long as those decisions are within the authority and limits of the Board adopted policies and budget.

Approved:

Pamela Throop - Chair, IGU Board of Directors

Date

Laura Steel, Secretary to the IGU Board of Directors

Date

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USDA Grant and Loan Summary

USDA Grant and Loan Summary

Rural Business Development Grants- Alaska as a state only receives \$250,000 for this program and that money is divided between multiple entities and a higher priority is given to requests for smaller amounts. As it stands right now, there are multiple entities that have applied and their priority level is higher than where we rate for eligibility. If we applied the resources used to apply would outweigh the grant received. (Exhibit A)

Intermediary Relending Program (Loan) - The program is set up more for financial institutions to use as a lending source for small businesses that cannot receive funding anywhere else. The money can only go towards 75% of the cost of the project and the business has to provide the other 25%. The restrictions for this relending program is \$15 million maximum aggregate debt for the intermediary (IGU) with a maximum of \$250,000 and 1% interest rate to each small business for the re-lend of the loan. The program would cost us more money to properly run than the return it would generate. (Exhibit B)

High Energy Cost Grants- The program is set up to “assist energy providers in lowering energy costs for families and individuals in areas with extremely high per-household energy costs (275 percent of the national average)”. The grant is highly competitive and as the requirements currently stand we do not qualify due to our current energy costs not meeting the minimum requirements. The current minimum requirements are:

Electricity	\$3,904 (\$.345 per kilowatt hour)
Natural Gas	\$1,828 (\$27.69 per thousand cubic feet)
Fuel Oil	\$2,903 (\$6.25 per gallon)
LPG/Propane	\$3,110 (\$5.64 per gallon)
Total Household Energy	\$5,546 (\$61.87 per million Btu)

We could ask our legislators in Alaska to push the USDA to re-evaluate their numbers for the current minimums since the last time these numbers were evaluated was in 2015. If the numbers stay the same, we do not meet the minimum qualifications. (Exhibit C)

Energy Efficiency and Conservation Loan Program- The program is designed for electric utilities and is a 15 year loan. (Exhibit D)

Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants- The program provides grants and loans “to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements”. The program would be perfect for small businesses in Fairbanks and North Pole for assisting with the cost of an energy audit and then assisting with funding for energy improvements after the audit. Grants will cover up to 25% of total eligible project costs and loans and grant/loan combos can cover up to 75% of total eligible project costs. (Exhibit E)

Rural Energy Savings Program- The program is a relending program that would greatly assist in the On-Bill Program. It would allow IGU to take out a loan for up to 20 years at a 0% interest rate and use up to 4% of the loan to cover startup costs. IGU would have up to 10 years to relend the money from the loan to qualified customers and be able to charge up to 3% interest. The program is open until the money is gone and the program is requesting that a Letter of Intent is signed and sent in stating that we would have a completed application before the deadline of September 30, 2019. It was suggested that the Letter of Intent be sent in sooner rather than later. No maximum was listed on the USDA website for the funds that could be requested and the Alaska USDA Representative is checking on minimum and maximum loan amounts. (Exhibit F1 & F2)

Rural Economic Development Loan & Grant Program- The program is aimed for electric utilities. The program is a relending program. The cap for grants is \$300,000 and the cap for loans is \$2 million (\$1 million per year for a maximum of 2 years and we would have to apply each year). The loan is a 10 year loan. IGU would need to partner with GVEA. GVEA would be the intermediary subject to a 0% interest rate for the 10 year loan. GVEA could relend up to 80% of project costs to IGU for a 1-3% interest rate for 10 years and IGU would have to provide 20% of the project costs. Repayment may be deferred for two years for projects including a Community Facilities project. (Exhibit G)

Community Facilities Direct Loan & Grant Program- “The program provides affordable funding to develop essential community facilities in rural areas”. Since IGU is a nonprofit and North Pole has less than 20,000 residents, there is a possibility that IGU would qualify for a loan that can be used to “purchase, construct and/or improve essential community facilities, purchase equipment and pay related project expenses”. The interest rate for the loan is Treasury rate plus 1/8th. North Pole has a Poverty Rate of 9.9% and a median family income of \$65,700 per the US Department of Housing and Urban Development. North Pole being designated as a Military Facility Zone will also assist in applying for the loan and grant. The USDA Representative is checking for further information on this program- the belief is that there is no cap of funds that can be requested and a repayment term of 40 years (update to be provided as soon as the information is supplied).

Grants are at 75% of the proposed project if all minimum qualifications are met. (The minimum and maximum amount allowed to request for a grant is part of the information that is awaiting an update). (Exhibit H)

*There aren't a maximum number of USDA programs that can be utilized at a time.

USDA Grant and Loan Summary

Exhibit A



Rural Business Development Grants in Alaska Program 101

Are Applications Currently Being Accepted? Application deadlines vary by state. Please select the state drop down menu at right and contact business programs staff for the application deadlines in the state where your project is located.

What does this program do?

This program is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas which will employ 50 or fewer new employees and has less than \$1 million in gross revenue. Programmatic activities are separated into enterprise or opportunity type grant activities.

Who may apply for this program?

Rural public entities including, but not limited to:

- Towns
- Communities
- State agencies
- Authorities
- Nonprofit corporations
- Institutions of higher education
- Federally-recognized Tribes
- Rural cooperatives (If organized as a private nonprofit corporation)

What is an eligible area?

RBDG funds must be used for projects benefitting rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more. Check eligible areas.

How much funding is available?

There is no maximum grant amount; however, smaller requests are given higher priority. Generally, grants range from \$10,000 to \$500,000. There is no cost sharing requirement. Opportunity grants are limited to up to 10 percent of the total RBDG annual funding.

How may funds be used?

Enterprise grants must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application. Uses may include:

- Training and technical assistance, such as project planning, business counseling/training, market research, feasibility studies, professional/technical reports, or product/service improvements
- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation of buildings; plants, machinery, equipment, access for streets and roads; parking areas and utilities
- Pollution control and abatement
- Capitalization of revolving loan funds, including funds that will make loans for start-ups and working capital
- Distance adult learning for job training and advancement
- Rural transportation improvement
- Community economic development
- Technology-based economic development

- Feasibility studies and business plans
- Leadership and entrepreneur training
- Rural business incubators
- Long-term business strategic planning

Opportunity grants can be used for:

- Community economic development
- Technology-based economic development
- Feasibility studies and business plans
- Leadership and entrepreneur training
- Rural business incubators
- Long-term business strategic planning

How are applications evaluated?

All applications are evaluated based on:

- Evidence showing job creation at local businesses;
- Percent of non-federal funding committed to the project;
- Economic need in the area to be served;
- Consistency with local economic development priorities;
- Experience of the grantee with similar efforts; and

Other factors described in the current Notice of Solicitation of Applications (NOSA), if one is published.

How do we get started?

- Applications are accepted through USDA Rural Development's local or State offices once per year. Applicants are advised to view program information specific to your local or State office to learn about local application timelines, concept paper requirements, etc.
- Grant awardees will need to complete required paperwork and comply with the terms and conditions of the award. Contact your local or State office for details.

Who can answer questions?

- Contact your local office.

What governs this program?

- Basic Program – 7 CFR Part 4280, Subpart E. This program is authorized by the Consolidated Farm and Rural Development Act (ConAct)

What governed the predecessor programs of Rural Business Enterprise Grants (RBEG) and Rural Business Opportunity Grants (RBOG), as well as all awards given before FY 2015?

- RBEG Basic Program - RD Instruction 1942-G
- RBOG Basic Program - 7 CFR Part 4284
- This program was authorized by the Consolidated Farm and Rural Development Act (ConAct)

Why does USDA Rural Development do this?

This program provides grants for rural projects that finance and facilitate the development of small and emerging rural businesses, help fund distance learning networks, and help fund employment-related adult education programs. To assist with business development, RBDGs may fund a broad array of activities.

Printable Fact Sheet

Forms & Resources

NOTE: If state specific forms are not shown above, please refer to the application materials listed below to start the process of applying. Please ensure that your state is selected in the dropdown menu above to find the State

USDA Grant and Loan Summary

Exhibit B



Intermediary Relending Program in Alaska Program 101

Are Applications Currently Being Accepted: YES

Applications are accepted quarterly

What does this program do?

Provides 1 percent low-interest loans to local intermediaries that re-lend to businesses to improve economic conditions and create jobs in rural communities.

Who may apply for this program?

The following are eligible to be an intermediary lender:

- Nonprofits and cooperatives
- Federally-recognized Tribes
- Public agencies

The following are eligible to apply for a loan from the intermediary lender as an ultimate recipient:

- Ultimate recipients may be individuals, public or private organizations, or other legal entities, given that:
 - Majority ownership is held by U.S. citizens or permanent residents (1)
 - The applicant owes no delinquent debt to the Federal government
 - The applicant is unable to obtain affordable commercial financing for the project elsewhere
 - The project is located in an eligible rural area - Check Eligibility
 - The applicant has no legal or financial interest or influence in the intermediary

Are there other requirements?

Intermediaries must have:

- Legal authority to operate a Revolving Loan Fund (RLF) (2)
- A record of successfully assisting rural businesses and communities, normally including experience making and servicing commercial loans
- The ability to provide adequate assurance of repayment of the loan

How much funding is available to intermediaries?

- Up to \$2 million for the first financing
- Up to \$1 million at a time thereafter
- Total aggregate debt does not exceed \$15 million

What are the terms for the intermediary?

- Interest rate is fixed at 1 percent
- Maximum term is 30 years
- Interest-only payments may be permitted for the first 3 years

What is the maximum loan amount available to ultimate recipients?

- \$250,000; or
- 75 percent of the total cost of the ultimate recipient's project for which the loan is being made, whichever is less.

12 Portfolio: No more than 25 percent of an IRP loan may be used for loans to ultimate recipients that exceed \$150,000. This limit does not apply to revolved funds.

What are the rates, terms and payment structure on the loan to the ultimate recipient?

These are set by the intermediary in an amount sufficient to cover the cost of operating and sustaining the revolving loan fund.

How may funds be used?

- To acquire, construct, convert, enlarge or repair a business or business facility, particularly when jobs will be created or retained
- To purchase or develop land (easements, rights of way, buildings, facilities, leases, materials)
- To purchase equipment, machinery or supplies, or make leasehold improvements
- Start-up costs and working capital
- Pollution control and abatement
- Transportation services
- Feasibility studies and some fees
- Hotels, motels, convention centers
- Education institutions
- Aquaculture-based rural small business
- Revolving lines of credit as described in 7 CFR Part 4274.314

NOTE: ineligible loan purposes are listed in the Code of Federal Regulations 7 CFR Part 4274.319

How can an organization become an intermediary lender?

Each year, Congress provides program funding as called for in the federal budget. Organizations interested in becoming RLF lenders through IRP are encouraged to contact a USDA Rural Development local office.

What is an eligible area?

- Rural areas outside a city or town with a population of less than 50,000
- Urbanized areas near a city of 50,000+ may not be eligible
- The intermediary borrower's headquarters may be based within a larger city so long as the project service area is located in an eligible rural area
- The intermediary lender may be located anywhere

Check eligible addresses for Business Programs

How do we get started?

Please reach out to your state office for additional information and to apply for the Intermediary Relending Program.

Who can answer questions?

Intermediaries and ultimate recipients can contact an IRP intermediary lender serving your area. You may also contact your local office for assistance.

What governs this program?

- Basic Program – Code of Federal Regulations, 7 CFR Part 4274
- Loan Servicing – 7 CFR Part 1951
- This program is originally authorized by the Food Security Act of 1985, Pub L. 99-198 (1985 Farm Bill)

Why does USDA Rural Development do this?

The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to help finance business and economic development activity to create or retain jobs in disadvantaged and remote communities. Intermediaries are encouraged to complement State and regional strategies, and work with other public and private organizations that can provide complementary resources.

NOTE: Because citations and other information may be subject to change, please always consult the program Instructions listed in the section above titled "What Governs this Program?" You may also contact your local

office for assistance.

(1) Individual borrowers must be citizens of the United States (U.S.) or reside in the U.S. after being legally admitted for permanent residence. Corporations or other non-public borrowers must be at least 51 percent owned by persons who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence.

(2) A revolving loan fund (RLF) is a pool of public- and private-sector funds that recycles money as loans are repaid (revolved funds). USDA grants or loans may be used to start, replenish and expand RLFs. Eligible recipients are State or local government agencies and nonprofit entities structured to make loans. They must demonstrate economic need and have a plan that both meets program requirements and spurs growth.

Printable Fact Sheet

Forms & Resources

NOTE: If state-specific forms are not shown above, please ensure that your state is selected in the dropdown menu above to find the State Office contact information and speak to a [Business Programs Specialist](#) before attempting to fill out any forms or applications. This will save you valuable time in your application.

Interest Rates

For intermediaries, the interest rate is fixed at 1% with a maximum term of 30 years. Interest-only payments may be permitted for the first 3 years.

For the ultimate recipients, the interest rate is set by the intermediary in an amount sufficient to cover the cost of operating and sustaining the revolving loan fund.

Contacts

Renee Johnson, Director, Business Programs
renee.johnson@ak.usda.gov
(907) 761-7712

Robin Ezzo
Business Programs Loan Specialist
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Terri Kingsley
Business Programs Loan Specialist
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Business Programs Loan Specialist and State Energy Coordinator
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USDA Grant and Loan Summary

Exhibit C



High Energy Cost Grants

A This program is administered by the National Program office.
Program 101

Are Applications Being Accepted? NO

What does this program do?

Assists energy providers and other eligible entities in lowering energy costs for families and individuals in areas with extremely high per-household energy costs (275 percent of the national average or higher.)

Who may apply?

Most retail or power supply providers serving eligible rural areas, including:

- State and local governmental entities
- Federally recognized Tribes and Tribal entities. ☐
- Non-profits, including cooperatives and limited dividend or mutual associations
- For-profit businesses

What is an eligible area?

Eligible areas must demonstrate annual average household energy cost exceeding 275 percent of the national average under benchmarks published in the Notice of Solicitation of Applications.

Eligible areas must be located in the United States, U.S. Territories, or areas eligible by law to participate in USDA Rural Utilities Service Programs.

What kind of funding is available?

- Grants

How may the funds be used?

To finance the acquisition, construction or improvement of facilities serving eligible communities, including:

- Electric generation, transmission and distribution facilities, including:
 - Equipment, materials and activities
 - Land or right-of-way acquisition, professional expenses, engineering and permitting costs
- Natural gas distribution and storage facilities, including equipment, materials and activities
- Petroleum product storage and handling facilities, including equipment, materials and activities
- Renewable energy facilities, including solar, wind, hydropower or biomass technologies used for on- or off-grid:
 - electric power generation
 - water or space heating
 - process heating and power
- Backup or emergency power generation or energy storage technology, including generation equipment installed on consumer premises

Implementation of initiatives such as:

- Energy efficiency improvements and conservation measures (i.e. weatherization of residences and community facilities)

- 16**
 - Programs encouraging the use of energy-saving appliances and devices
 - Programs aimed at improving the quality and cost of energy service

For additional details, see the Code of Federal Regulations 7 CFR 1709

What is the national average annual home energy cost?

For the purposes of this program, the high energy cost benchmarks effective since publication of the 2015 Notice of Solicitation of Applications:

- Electricity \$3,904 (\$0.345 per kilowatt hour)
- Natural gas \$1,828 (\$27.69 per thousand cubic feet)
- Fuel oil \$2,903 (\$6.25 per gallon)
- LPG/propane \$3,110 (\$5.64 per gallon)
- Total household energy \$5,546 (\$61.87 per million Btu)

What is the current status of the program and who currently participates?

- Our Project Summaries provide a list of participants

Who can answer questions about this program?

- For other questions, contact the Rural Electric Program staff

What governs this program?

- Rural Electrification Act of 1936, as amended in 7 U.S.C. 901
- Code of Federal Regulations 7 CFR 1709

Why does USDA Rural Development do this?

This program helps to offset extremely high household energy costs in areas where local conditions cause energy costs to exceed 275 percent of the national average. This type of assistance increases economic opportunity and the quality of life in rural communities nationwide by maintaining a seamless electric network for all Americans, regardless of where they live.

NOTE: Program details may change over time. Before you begin an application, please confirm you have the most current information by emailing Rural Electric Program staff or consulting the program instructions listed in the section above titled *"What Governs this Program?"*

Forms & Resources

The application deadline is December 11, 2017. For information relating to this application round, go to <https://www.federalregister.gov/documents/2017/10/12/2017-22042/announcement-of-grant-application-deadlines-and-funding-levels-for-the-assistance-to-high-energy> **and the** www.rd.usda.gov/files/UEP_HECG_App_Guide_2017.pdf .

For information regarding award selection under the 2015 Notice of Funding Availability, go to www.rd.usda.gov/files/UEP_HECG_RECIPIENTS_2015.pdf .

2017 Funding Opportunity

- High Energy Cost Grant - Notice of Solicitation of Applications (NOSA) (Adobe pdf file) (on the Web)
- 2017 High Energy Cost Grant – NOSA Correction Notice
- 2017 High Energy Cost Grant - Application Guide

High Energy Cost Grant – Forms (Note – instructions for these forms may be found at www.grants.gov)

- Application for Federal Assistance (SF-424)
 - Budget Information - Non-Construction Programs (SF-424A)

- Assurances - Non-Construction Programs (SF-424B)
 - Budget Information - Construction Programs (SF-424C)
 - Assurances - Construction Programs (SF-424D)
 - Disclosure of Lobbying Activities (SF-LLL)
 - Disclosure of Lobbying Activities Continuation Sheet (SF-LLL-A)
 - USDA Form 1047 Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions
 - USDA Form 3031 Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants
 - Construction Contract Equal Opportunity Clause (Form RD 400-1)
 - Civil Rights Assurance (Form RUS 266)
 - RUS Environmental Questionnaire
-
- Program Regulations 7 CFR part 1709
 - 2015 Grant Awards
 - 2014 Grant Awards
 - 2012 Grant Awards

Additional Resources

- Electric Program Regulations
- Electric Program Bulletins
- Energy Efficiency and Conservation Loan Program

Interest Rates

- RUS FFB Interest Rates

USDA Grant and Loan Summary

Exhibit D



Energy Efficiency and Conservation Loan Program

A This program is administered by the National Program office.
Program 101

What does this program do?

The Energy Efficiency and Conservation Loan Program (EECLP) provides loans to finance energy efficiency and conservation projects for commercial, industrial, and residential consumers. With the EECLP, eligible utilities, including existing Rural Utilities Service borrowers can borrow money tied to Treasury rates of interest and re-lend the money to develop new and diverse energy service products within their service territories. For instance, borrowers could set up on-bill financing programs whereby customers in their service territories implement energy efficiency measures behind the meter and repay the loan to the distribution utility through their electric bills.

Who may apply?

Loans under the EECLP are available to those businesses (utility systems) that have direct or indirect responsibility for providing retail electric service to persons in a rural area. In general, a rural area for EECLP purposes is a town, or unincorporated area that has a population not greater than 20,000 inhabitants, and any area within a service area of a borrower for which a borrower has an outstanding loan. Eligible communities can be combined into service territories that exceed 20,000. In other words, the EECLP is available for an entity in the business of providing:

- Retail electric service to consumers,
- Wholesale electric supply to distribution entities, or
- Transmission service to distribution or generation entities.

In each one of those cases, the entity providing the applicable service would do it with self-owned or controlled assets under a published tariff that the entity and any associated regulatory agency may adjust.

What are the terms of these loans?

The maximum term for loans under the EECLP is 15 years, unless the funding relates to ground-source loop investments or technology on an aggregate basis with a useful life greater than 15 years.

What is an eligible area?

- The law requires the consideration of several factors to determine whether an area qualifies as rural for the purposes of this program.
- We encourage you to contact your General Field Representative (GFR) to determine if your program would serve a qualified rural area.

How may the funds be used?

The EECLP allows borrowers to design their EE Programs. While RUS does not establish specific energy efficiency program designs, the program does require that funding be used to:

- Improve energy efficiency and/or reduce peak demand on the customer side of the meter;
- Modify the electric load such that there is a reduction in overall system demand;
- Stimulate a more efficient use of existing electric facilities;
- Attract new business and create jobs in rural communities by investing in energy efficiency, and/or
- Encourage the use of renewable energy fuels for demand-side management or to reduce the use of fossil fuel use within a service territory.

20 What is an eligible investment or activity under the EELCP?

In addition to energy efficiency measures, EECLP funds could be used to:

- All energy efficiency measures on a consumer premises
- Distributed generation for on or off grid renewable energy systems
- Demand side management investments
- Energy audits
- Consumer education and outreach programs
- Power factor correction equipment on the consumer side of the meter
- Re-lamping to more energy efficient lighting
- Other energy efficiency program investments approved by RUS Residential and commercial energy audits
- Community awareness and outreach programs

How do we get started?

- We encourage you to contact your General Field Representative (GFR) to begin the loan application process.
- RUS accepts applications for these programs year-round.

Who can answer questions about this program?

- Contact the GFR who serves your area
- Contact the Rural Electric Program's Office of Loan Origination and Approval (OLOA)

What governs this program?

- Rural Electrification Act of 1936, as amended in 7 U.S.C. 901
- Code of Federal Regulations 7 CFR 1710 Subpart H
- Final Rule

Why does USDA Rural Development do this?

Nearly every rural electric cooperative utility nationwide has some form of energy efficiency program as part of their strategy to manage power costs, meet consumer demand and increase environmental regulatory compliance. Encouraging energy conservation and the use of renewable resources of power have long been a part of the RUS Electric Program. The EECLP provides funds to expand efforts to help consumers save money, reduce the need to purchase or generate energy, reduce emissions from generation of electricity, and help strengthen rural economies through job creation for energy efficiency and conservation projects.

NOTE: Program details may change over time. Before you begin an application, please confirm you have the most current information by contacting a GFR who serves your area for assistance, or consult the program instructions listed in the section above titled "*What Governs this Program?*"

Forms & Resources

- Background Presentation (pdf)
- Presentation (pptx)
- Toolkit (pdf)
- RUS Work Codes for Energy Efficiency and Conservation (pdf)

RUS Electric Programs Fact Sheet: Renewable Energy and Energy Efficiency for Electric Utilities and Co-ops

Department of Energy's Database of State Incentives for Renewables & Efficiency®

Environmental

- Programmatic Environmental Assessment (pdf)
- Environmental Compliance Toolkit (pdf)

USDA Grant and Loan Summary

Exhibit E



Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants in Alaska Program 101

Program Status: Open

Federal Register Notice: PDF | **Amendment:** PDF

Program Fact Sheet: PDF

Applications for Grants of \$20,000 or Less | Guaranteed Loan/Grant of \$20,000 or Less Combo Applications

- **October 31, 2018 or**
- **April 1, 2019**

Applications for Unrestricted Grants | Guaranteed Loan/Unrestricted Grant Combo Applications

- **April 1, 2019**

Energy Audit and Renewable Energy Development Assistance Grants

- **January 31, 2019**

Guaranteed Loans

- **Continuous Application Cycle**

FY 2018 Funding Amounts

Guaranteed Loans: \$565,139,914

Unrestricted Grants: \$26,359,313

Grants of \$20,000 or Less: \$9,390,996

What does this program do?

Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

Who may apply?

- Agricultural producers with at least 50% of gross income coming from agricultural operations, and
- Small businesses in eligible rural areas.

NOTE: Agricultural producers and small businesses must have no outstanding delinquent federal taxes, debt, judgment or debarment.

What is an eligible area?

- Businesses must be in an area other than a city or town with a population of greater than 50,000 inhabitants and the urbanized area of that city or town. Check eligible business addresses.
- Agricultural producers may be in rural or non-rural areas.

How may the funds be used?

Funds may be used for renewable energy systems, such as:

- Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels)
- Geothermal for electric generation or direct use
- Hydropower below 30 megawatts
- Hydrogen
- Small and large wind generation
- Small and large solar generation
- Ocean (tidal, current, thermal) generation

Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:

- High efficiency heating, ventilation and air conditioning systems (HVAC)
- Insulation
- Lighting
- Cooling or refrigeration units
- Doors and windows
- Electric, solar or gravity pumps for sprinkler pivots
- Switching from a diesel to electric irrigation motor
- Replacement of energy-inefficient equipment

What funding is available?

- Loan guarantees on loans up to 75% of total eligible project costs
- Grants for up to 25% of total eligible project costs
- Combined grant and guaranteed loan funding up to 75% of total eligible project costs

What are the guaranteed loan terms?

- \$5,000 minimum loan amount
- \$25 million maximum loan amount
- Up to 85% loan guarantee
- Rates and terms negotiated with the lender and subject to USDA approval
- Maximum term of 30 years for real estate
- Maximum term of 15 years for machinery and equipment
- Maximum term of 7 years for capital loans
- Maximum term of 30 years for combined real estate and equipment loans

What are the grant terms?

Renewable Energy System Grants:

- \$2,500 minimum
- \$500,000 maximum

Energy Efficiency Grants:

- \$1,500 minimum
- \$250,000 maximum

Are there additional requirements?

- Applicants must provide at least 75% of the project cost if applying for a grant only.
- Applicants must provide at least 25% of the project cost if applying for guaranteed loan, or guaranteed loan and grant combination.
- Projects greater than \$200,000 require a technical report.
- Energy efficiency projects require an energy audit or assessment.

How do we get started?

- Applications for this program are accepted year round at your local office.

Who can answer questions?

Contact your State Rural Development Energy Coordinator.

24 What governs this program?

- Basic Program – Code of Federal Regulation, 7 CFR 4280, Subpart B
- This program is authorized by Title IX of the Agricultural Act of 2014, (2014 Farm Bill)

Why does USDA Rural Development do this?

This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing the demand for energy through energy efficiency improvements. Over time, these investments can also help lower the cost of energy costs for small businesses and agricultural producers.

NOTE: Because citations and other information may be subject to change, please always consult the program Instructions listed in the section above titled, *"What governs this program?"* You may also contact your local office for assistance.

Forms & Resources

NOTE: If state specific forms are not shown above, please refer to the application materials listed below to start the process of applying for a loan and/or grant. Please ensure that your state is selected in the dropdown menu above to find the State Office contact information for this program and speak to a Rural Development Energy Coordinator before attempting to fill out any forms or applications. This will save you valuable time in the process.

To complete an application for this program, you must be pre-registered with the System for Award Management (SAM) and also have a Data Universal Number System (DUNS) number. Neither of these applications cost money, but they can take time so be sure to get this taken care of right away. If you are already registered with these systems, you do not need to do it again.

Instructions

Application Instructions (pdf)

Forms

- Felony Conviction and Tax Delinquent Status for Corporate Applicants (pdf)
- Request for Environmental Information - Form1940-20 (pdf)
- Application for Federal Assistance - Form SF-424 (pdf)
- Budget Information - Construction Programs - Form 424-C (pdf)
- Assurances: Construction Programs - Form 424-D (pdf)
- Application for Total Project Costs of \$80,000 (pdf)
- Application for Total Project Costs of less than \$200,000 but more than \$80,000 (pdf)
- Application for Total Project Costs of \$200,000 or greater (pdf)
- Application for Loan Guarantee (pdf)
- Lender's Agreement (pdf)
- Certificate of Incumbency and Signature (pdf)
- Unconditional Guarantee (pdf)
- Guaranteed Loan Closing Report (pdf)
- Guaranteed Loan Status Report (pdf)
- Guaranteed Loan Borrower Default Status (pdf)

Other Resources

- USDA Energy Investment Map
- USDA Energy Matrix

Contacts

Renee Johnson
 Director, Business Programs
 (907) 761-7712
renee.johnson@ak.usda.gov

USDA Grant and Loan Summary

Exhibit F1



Rural Energy Savings Program

A This program is administered by the National Program office.
Program 101

Program Status: OPEN

Notice of Funding Availability (NOFA): PDF Web

Notice of Solicitation for Applications (NOSA): N/A

Letter of Intent Deadline: September 30, 2019 | Sample Letter of Intent

Program Factsheet: PDF

What does this program do?

The Rural Energy Savings Program (RESP) helps rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures.

Who may apply for this program?

Eligible applicants under the RESP include current and former RUS borrowers, subsidiaries of current or former RUS borrowers, and entities that provide retail electric service needs in rural areas.

What are the terms of the loans?

- Up to 20 years at a 0% interest rate
- Up to 3% interest rate for relending to end users qualified consumers, for up to 10 years
- Up to 4% of the loan total may be used for startup costs

What is an eligible area?

We encourage you to contact us to determine whether your program would serve an eligible rural area.

How may funds be used?

Funds may be used for the purpose of implementing energy efficiency measures to decrease energy use or costs for rural families and small business.

How do we get started?

- Applications for this program will be accepted on a first come first serve basis until the depletion of available funding. Please see the funding announcement which provides detailed information on the RESP program including how to apply.
- Letter of Intent

Who can answer questions?

Contact Robert Coates at Robert.Coates@wdc.usda.gov.

What governs this program?

These loans are made available under the authority of section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U. S.C. 8107a) (Section 6407).

Why does USDA Rural Development do this?

USDA is committed to offering a variety of financing options to expand efforts to help rural communities save money, reduce the need to purchase or generate energy, reduce emissions from generation of electricity, and help strengthen rural economies through job creation for energy efficiency and conservation projects.

Forms & Resources

Resources

- Sample Letter of Intent
- RESP Federal Register Notice of Funding Availability

USDA Grant and Loan Summary

Exhibit F2

Sample Letter of Intent

Please Submit Letter of Intent VIA Email to: RESP@WDC.USDA.GOV

[Date]

Mr. Christopher A. McLean

Assistant Administrator, Electric Program

Rural Utilities Service

1400 Independence Avenue, SW

Stop 1560

Washington, DC 20250-1560

RE: Intent to Apply for a Rural Energy Savings Program Loan

This letter confirms that **[Name of the eligible entity]** intends to seek a Rural Energy Savings Program loan from the Rural Utilities Service pursuant to the Notice Funding Availability (NOFA) for Fiscal Year 2018 (FY2018) published in the Federal Register **83 FR 38273** on August 6, 2018. **[Name of the eligible entity]** hereby represents that it meets all the requirements as specified in the NOFA and herewith submits the mandatory information required to comply with the first step of the loan application process.

[Name of the eligible entity] intends to submit a complete application on or before the due date specified in the NOFA for step-2 of the process and commits to diligently collaborate with the RUS General Field Representative to complete the application in a timely manner. **[Name of the eligible entity]** acknowledges that RUS may not consider our loan application complete (Step-2) if we fail to provide the information requested by RUS in its screening process (Step-1).

Applicant's Profile and Point of Contact

[Name of the eligible entity] is a **[legal status of the entity (E.g., Corporation, LLC, Cooperative, etc.)]** organized under the laws of **[State or jurisdiction]**, on **[date on which the entity was established]** with its principal place of business located in **[address]**. The DUN and Bradstreet (D&B) DUNS number for **[eligible entity]** is **[DUNS/Bradstreet number]** and our tax identification number is **[eligible entity's tax ID number]**. **[Name of the eligible entity]** is **[current or will be a new]** RUS borrower. **[Applicants that once were RUS borrowers please specify the date of the last transaction with RUS].**

[Name of the eligible entity] serves **[counties or areas served by the eligible entity]**, with population of **[population of the area]**¹. **[Name of the eligible entity]** has net assets in the amount of **[amount of net assets value]**. It is hereby affirmed that **[Name of the eligible entity]** has **[specify if eligible entity has ever been in receivership or bankruptcy or is under a workout agreement over the last 10 years]**. **[Name of the eligible entity]** holds operating reserves in the amount of **[amount of operating reserves]**. A copy of **[Name of the eligible entity]** balance sheet for the last 3 years is submitted with this letter of intent. **[Name of eligible entity]** intends to be the legal borrower or intends that the legal borrower will be a wholly owned and controlled subsidiary **[specify which]**.

The point of contact during the application process will be **[name of the point of contact]**, **[position at the eligible entity]**, who has been duly authorized to carry out the necessary actions to complete the RESP loan application. **[Name of the point of contact]** can be contacted at **[address, phone number, and email address]**. Additional information about **[Name of the eligible entity]** is available at **[web site address]**.

Project Description

[Name of the eligible entity] seeks an RESP loan in the amount of **[specify the total loan amount]** to carry out a relending program to implement energy efficiency measures to qualified consumers within **[identify the eligible entity's service territory, (e.g., County)]**.

Proceeds from the RESP loan will be used to implement a **[describe the nature and scope of the loan program to the qualified consumers²]**. **[Name of the eligible entity]** anticipates that the following staff **[identify the credentials of each one of the staff members that will be working on the project]** will be involved in the implementation of the relending program for energy efficiency.

Lastly, **[Name of the eligible entity]** commits to immediately notify RUS in writing should we decide to withdraw from consideration for the RESP loan before submitting the complete application.

Sincerely,

[General Manager/ CEO of the eligible entity]

Enclosures

¹ The applicant will need to identify its service area by its service area map and identify whether it serves customers in all or part of the population within the town or city and/or county boundaries. Information needs to be provided as to the extent it serves all or part of the population within the town or city and/or county boundaries. The applicant will need to identify/state/list how many meters it serves its customers with, within its service area. If the service area of proposed borrower extends beyond the town or city and/or county boundary, the number of meters within each of the service boundaries needs to be stated/listed.

² Project description must not exceed 5 pages. Refer to the NOFA for details.

Mr. Christopher A. McLean

Assistant Administrator, Electric Program

Rural Utilities Service

1400 Independence Avenue, SW

Stop 1560

Washington, DC 20250-1560

RE: Intent to Apply for a Rural Energy Savings Program Loan

This letter confirms that Interior Gas Utility intends to seek a Rural Energy Savings Program loan from the Rural Utilities Service pursuant to the Notice Funding Availability (NOFA) for the Fiscal Year 2018 (FY2018) published in the Federal Register **83 FR 38273** on August 6, 2018. Interior Gas Utility hereby represents that it meets all the requirements as specified in the NOFA and herewith submits the mandatory information required to comply with the first step of the loan application process.

Interior Gas Utility **intends** to submit a complete application on or before the due date specified in the NOFA for step-2 of the process and commits to diligently collaborate with the RUS General Field Representative to complete the application in a timely manner. Interior Gas Utility acknowledges that RUS may not consider our loan application complete (Step-2) if we fail to provide the information requested by RUS in its screening process (Step-1).

***Rest to be completed if authorized to complete and provided with authorized Profile and Point of Contact, legal status of entity, date entity establish and principal place of business location, DUNS/Bradstreet number, tax identification number, current or new RUS borrower, net assets value, amount of operating reserves, wholly owned and controlled subsidiary, point of contact during the application process and their position, point of contact information(address, phone number, email), specific loan amount, description of the nature and scope of the loan program to the qualified consumers, credentials of each one of the staff members that will be working on the project (implementation of).

USDA Grant and Loan Summary

Exhibit G



Rural Economic Development Loan & Grant Program in Alaska Program 101

Are Applications Currently Being Accepted: YES

Application Deadline: Notice of Solicitation of Application (pdf)

What does this program do?

The Rural Economic Development Loan and Grant program provides funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly. The utility is responsible for repayment to USDA.

USDA provides grants to local utility organizations which use the funding to establish revolving loan funds (RLF). Loans are made from the revolving loan funds to projects that will create or retain rural jobs. When the revolving loan fund is terminated, the grant is repaid to USDA.

Who may apply to this program?

To receive funding (which will be forwarded to selected eligible projects) an entity must be:

- A former Rural Utilities Service borrower who borrowed, repaid or pre-paid an insured, direct, or guaranteed loan
- Nonprofit utilities that are eligible to receive assistance from the Rural Development Electric or Telecommunication Programs; or
- Current Rural Development Electric or Telecommunication Programs borrowers

What is an eligible area?

Intermediaries may use funds to lend for projects in rural areas or towns with a population of 50,000 or less.

How much funding is available to intermediaries?

- Up to \$300,000 in grants may be requested to establish the RLF
- Up to 10 percent of grant funds may be applied toward operating expenses over the life of the RLF
- Up to \$2 million in loans may be requested

The intermediary applies to USDA for funding support on behalf of specified local projects. Projects may begin after an application is submitted, but there is no guarantee of approval. USDA funds are issued to the intermediary at project completion.

What are the terms for the intermediary?

- 10 years at 0 percent
- Grants require a 20 percent match from the intermediary
- Grants must be repaid to USDA upon termination of the RLF

How may funds be used?

Program intermediaries pass the funding to ultimate recipients on to eligible projects. Examples of eligible projects include:

- Business incubators

- 34**
- Community development assistance to nonprofits and public bodies (particularly for job creation or enhancement)
 - Facilities and equipment to educate and train rural residents to facilitate economic development
 - Facilities and equipment for medical care for rural residents
 - Start-up venture costs, including, but not limited to, financing fixed assets such as real estate, buildings, equipment or working capital
 - Business expansion
 - Technical assistance

NOTE: 7 CFR, Part 4280.27 and 7 CFR, Part 4280.30 list ineligible uses

How much funding is available to business and community borrowers (ultimate recipients) through the RLF?

An ultimate recipient may request up to 80 percent of project costs using REDLG funds, with the remainder provided by the ultimate recipient or the intermediary

What are the terms on the loan to the ultimate recipient?

- Interest rate is 0 percent
- Up to 80 percent of project costs; 20 percent must be provided by the ultimate recipient or the intermediary
- The intermediary may incorporate interest rates or administrative loan fees after the funds have been loaned out and revolved once. First-time loans are at 0 percent interest.
- Repayment may be deferred up to two years for projects including a start-up venture or Community Facilities project.

How do we get started?

Applications for this program are accepted through your local office year round. Program Resources are available online (includes forms needed, guidance, certifications etc.)

Who can answer questions?

Contact your local office.

What governs this program?

- Basic Program – Code of Federal Regulations, 7 CFR, Part 4280
- Loan/Grant Servicing – Code of Federal Regulations, 7 CFR, Part 4280 and 2 CFR Part 200
- This program is authorized by the Rural Electrification Act of 1936

Why does USDA Rural Development do this?

To provide financing to eligible Rural Utilities Service electric or telecommunications borrowers to promote rural economic development and job creation projects.

Program: Fact Sheet

Forms & Resources

NOTE: If state specific forms are not shown above, please ensure that your state is selected in the dropdown menu above to find the State Office contact information and speak to a [Business Programs Specialist](#) before attempting to fill out any forms or applications. This will save you valuable time in your application.

You may also access the Code of Federal Regulations, 7 CFR, Part 4280.

Contacts

Renee Johnson
Director

(907) 761-7712
renee.johnson@ak.usda.gov

Robin Ezzo
Business Programs Loan Specialist
(907) 761-7718
robin.ezzo@ak.usda.gov

Terri Kingsley
Business Programs Loan Specialist
(907) 761-7726
terri.kingsley@ak.usda.gov

Jessie Huff
Business Programs Loan Specialist and State Energy Coordinator
(907) 761-7768
jessie.huff@ak.usda.gov

USDA Grant and Loan Summary

Exhibit H



Community Facilities Direct Loan & Grant Program in Alaska Program 101

2010 Alaska CDP MHI & Population List
Example Letter: Certification of Inability to Obtain Credit
RD Form 3570-2 with Alaskan On Road/Off Road system data

Abbreviated Fact Sheet

Program Status: Open

What does this program do?

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

Who may apply for this program?

Eligible borrowers include:

- Public bodies
- Community-based non-profit corporations
- Federally-recognized Tribes

What is an eligible area?

Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest U.S. Census Data are eligible for this program.

How may funds be used?

Funds can be used to purchase, construct, and / or improve essential community facilities, purchase equipment and pay related project expenses.

Examples of essential community facilities include:

- Health care facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities
- Public facilities such as town halls, courthouses, airport hangars or street improvements
- Community support services such as child care centers, community centers, fairgrounds or transitional housing
- Public safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment
- Educational services such as museums, libraries or private schools
- Utility services such as telemedicine or distance learning equipment
- Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses

For a complete list see Code of Federal Regulations 7 CFR, Part 1942.17(d) for loans; 7 CFR, Part 3570.62 for grants.

What kinds of funding are available?

- Low interest direct loans
- Grants

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- A combination of the two above, as well as our loan guarantee program. These may be combined with commercial financing to finance one project if all eligibility and feasibility requirements are met.

What are the funding priorities?

- Priority point system based on population, median household income
 - Small communities with a population of 5,500 or less
 - Low-income communities having a median household income below 80% of the state nonmetropolitan median household income.

What are the terms?

Funding is provided through a competitive process.

Direct Loan:

- Loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicants authority, or a maximum of 40 years, whichever is less
- Interest rates are set by Rural Development, contact us for details and current rates
- Once the loan is approved, the interest rate is fixed for the entire term of the loan, and is determined by the median household income of the service area and population of the community
- There are no pre-payment penalties
- Contact us for details and current interest rates applicable for your project

Grant Approval:

1. Applicant must be eligible for grant assistance, which is provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs: Maximum of 75 percent when the proposed project is:
 - Located in a rural community having a population of 5,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.
2. Maximum of 55 percent when the proposed project is:
 - Located in a rural community having a population of 12,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.
3. Maximum of 35 percent when the proposed project is:
 - Located in a rural community having a population of 20,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.
4. Maximum of 15 percent when the proposed project is:
 - Located in a rural community having a population of 20,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income. The proposed project must meet both percentage criteria. Grants are further limited.
 - Grant funds must be available

Are there additional requirements?

- Applicants must have legal authority to borrow money, obtain security, repay loans, construct, operate, and maintain the proposed facilities
- Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms
- Facilities must serve rural area where they are/will be located

- Project must demonstrate substantial community support
- Environmental review must be completed/acceptable

How do we get started?

- Contact your local office to discuss your specific project
- Applications for this program are accepted year round
- Program resources are available online (includes forms needed, guidance, certifications)
- Request a Data Universal Number System (DUNS) number if your organization doesn't already have one. It should not take more than a few business days to get your number.
- Register your organization with the System for Award Management (SAM) if you aren't already registered. The registration is free, but you need to complete several steps.

Who can answer questions?

Contact your local RD office.

What governs this program?

- Direct Loans: 7 CFR Part 1942, Subpart A
- Grants: 7 CFR Part 3570, Subpart A

NOTE: Because citations and other information may be subject to change please always consult the program Instructions listed in the section above titled "What Law Governs this Program?" You may also contact your local office for assistance.

Forms & Resources

NOTE: If state specific forms are not shown above, please refer to the application materials listed below to start the process of applying. Please ensure that your state is selected in the dropdown menu above to find the State Office contact information for this program and speak to a [Community Programs Specialist](#) before attempting to fill out any forms or applications. This will save you valuable time in the process.

Application Checklist for use with this program:

RD Form 1942-40, Checklist - Public Body (pdf) or

RD Form 1942-39, Checklist - Other Than Public Bodies (pdf)

Engineering

Individual states may have particular requirements based on state and local regulations. Please select your state in the dropdown menu above to find your local contact for this program.

Environmental

Rural Development environmental requirements can be found here: RD 1970 Environmental Policies and Procedures. Benefits of the 1970 environmental regulations are described here: 7 CFR 1970 Benefits.

Architect

Rural Development (RD) Programs, such as Community Facilities (CF) and Multi-Family Housing (MFH), involve the construction of new buildings or renovation of existing facilities. The development of these facilities involves the need for architectural services for the preparation of plans, specifications, public bidding, contracting, construction, and construction monitoring.

Applicants, at the earliest possible time, should provide a Preliminary Architectural Feasibility Report, including



Strategic Economic and Community Development

▲ This program is administered by the National Program office.
Program 101

Are Applications Currently Being Accepted: YES
Federal Register Notice: (.pdf)

Strategic Economic and Community Development is a Farm Bill provision that allows USDA to give priority for projects that support the implementation of regional economic development plans through the following four USDA Rural Development programs:

- Community Facilities Loans, Grants and Loan Guarantees
- Water and Waste Disposal Program Loans, Grants and Loan Guarantees
- Business & Industry Program Loan Guarantees
- Rural Business Development Grants

Purpose

Projects that promote regional economic development can capitalize upon the unique strengths of specific rural areas. USDA Rural Development helps finance these projects by helping applicants overcome multi-jurisdictional challenges and by helping leverage federal, state, local or private funding. Regionally focused projects help USDA resources have a larger impact, enabling greater wealth creation and quality of life improvements.

Application Process

- Detailed instructions on what qualifies as a multi-jurisdictional plan, scoring criteria and award process | SECD Instructions
- Application Form (Form RD 1980-88)

Eligibility

To be eligible for SECD, a project must:

- Be eligible for the underlying program
- Be carried out solely in a rural area
- Support a multi-jurisdictional strategic economic community development plan

Consideration for regional development priority will be based on:

- (1) How well the project supports a multi-jurisdictional plan, and
- (2) How well the plan addresses collaboration and investments from other federal and philanthropic agencies.

For More Information

Please contact your local USDA Rural Development office: <http://www.rd.usda.gov/contact-us/state-offices> or contact Angela Callie in the national office at RDCED@wdc.USDA.gov

DRAFT

RFP for Strategic Financial
Planning



INTERIOR GAS UTILITY

CLEAN LOW COST NATURAL GAS FOR THE INTERIOR

REQUEST FOR PROPOSALS

RFP 2018-#-##

Financial Advisory Services

Issue Date: Date

Due Date: Date

Interior Gas Utility
3408 International Street
Fairbanks, Alaska 99701

FOR INFORMATION CONTACT:

Dan Britton
General Manager
Email: dwbritton@fngas.com



***IMPORTANT NOTICE FOR
RFP 2018-#-##***

Financial Advisory Services

If you are taking this Request for Proposals (RFP) from the IGU web site and intend to respond, provide the following information via email to dwbritton@fngas.com in order to be included on the IGU list of companies interested in responding to this RFP.

Company Name: _____
Contact Name: _____
Company Address: _____
Telephone Number: _____
Fax Number: _____
E-mail Address: _____

Any amendments or clarifications to this RFP will be posted on the IGU website at <http://www.interiorgas.com>. Interested offerors are responsible for carefully reviewing this RFP and any amendments or clarifications prior to submitting their proposal.

CONTACT:

Dan Britton
 General Manager
 3408 International Street, Fairbanks, AK 99701
 Email: dwbritton@fngas.com

RFP ISSUE DATE: Date

DEADLINE FOR RESPONSES: Date

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1.0 INTRODUCTION AND INSTRUCTIONS

1.1 OVERVIEW

The Interior Alaska Natural Gas Utility was created as an independent public corporation by the Fairbanks North Star Borough (FNSB) through its Ordinance No. 2012-52, after acquiring an area-wide natural gas utility power by transfer from the Cities of Fairbanks, Alaska and North Pole, Alaska. The Interior Alaska Natural Gas Utility doing business as the Interior Gas Utility (IGU) is wholly owned by the FNSB but is an independently managed, separate legal entity.

In June 2018, the IGU acquired Pentex Alaska Natural Gas Company, LLC (Pentex) including its subsidiaries Fairbanks Natural Gas, LLC (FNG), Titan Alaska LNG, LLC (Titan), Artic Energy Transportation, LLC, and Polar LNG, LLC. Titan produces LNG at its production facilities in Port MacKenzie, AK and transports it by tanker truck to LNG storage facilities in Fairbanks, AK. FNG operates the LNG storage and regas facilities and distributes natural gas to approximately 1,100 customers in its Fairbanks service territory.

IGU's primary objective is to provide low cost, clean burning, natural gas (NG) to the largest number of customers in the FNSB as soon as possible. Its goal is to bring both economic and environmental well-being to the FNSB area and provide an important and necessary benefit to the public.

The NG distribution system is currently being built out within the City of North Pole and areas surrounding the City of Fairbanks, Alaska within the FNSB. Additionally, a large 5.25 million-gallon LNG storage facility is under construction in Fairbanks and is planned to be completed for NG service to new customers in late 2019. The ultimate system build-out is proposed to consist of approximately 720 miles of transmission lines, gas mains, and distribution lines with service to approximately 6,000 to 9,000 customers depending on the level of conversions from other energy sources to NG.

1.1.1 CAPITAL IMPROVEMENT AND FUNDING PLAN

As part of its planning process and financing agreement with AIDEA, IGU developed a 12-year Capital Improvement Plan including the acquisition of Pentex, construction of LNG production and storage facilities, and buildout of distribution facilities in the North Pole and the greater Fairbanks areas. Table 1 below summarizes IGU's Capital Improvement Plan

Table 1 – IGU Capital Improvement Plan

Item	Amount (\$)	Totals (\$)
LNG Supply	Titan 2 & 3	\$ 75,487,000
Transportation	High-Capacity Trailers	\$ 4,745,000
Storage and Vaporization	Fairbanks and North Pole	\$ 58,676,000
Acquisition and Due Diligence	Pentex, LLC	\$83,631,400
Distribution	Gas main Expansion/Infill, Services, Meters	\$ 136,090,200
Program Management and Conversion	Program Management: Customer Conversion Program	\$ 15,040,000
TOTAL		\$373,669,600
Source: IGU Financial Forecast and Pro Forma (May 2018)		

To date, financing for IGU's Capital Improvement Plan has been provided through Capital Appropriations and SETS financing. Going forward, funding is to be provided by remaining SETS financing, tax-exempt revenue bonds, and other commercially-available financing sources as needed and available. Table 2 below summarizes IGU's financing plan.

Table 2 – IGU Financing Plan

Sources of Funds		Amount
Capital Appropriations (HCS CSSB 18)		\$ 57,500,000
SETS Financing (SB 23 SLA 2013)		\$ 125,000,000
AIDEA Bonds (SB 23 SLA 2013)		\$ 150,000,000
Other Sources		\$ 41,169,600
Commercial Financing (LNG trailers)	\$ 4,745,000	
State storage credit – Fairbanks	\$ 15,000,000	
State storage credit - North Pole	\$ 5,830,000	
Other Debt or Cash Reserves (as available)	\$ 15,594,600	
Total Financing Requirements		\$ 373,669,600
Source: IGU Financial Forecast and Pro Forma (May 2018)		

The IGU is seeking proposals from financial advisory firms who are qualified and available to provide a full range of financial services as described in Section 3 of this RFP. The IGU intends to award a contract beginning **Month X, 2018** through **Month X, 2019** with four (4) one-year renewal options subject to satisfactory completion of services.

1.2 MINIMUM EXPERIENCE REQUIRED

All proposers shall have a minimum experience of three years providing financial advisory services for public issuers of debt with similar characteristics to those of IGU.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and their proposal will be rejected.

1.3 SUBMISSION OF PROPOSALS AND DEADLINE FOR RECEIPT OF PROPOSALS

Offerors must submit one hardcopy of their proposal **and** one electronic copy in PDF format on CD or USB drive in a sealed envelope or package following the format under Section 4. The envelope or package must be addressed as follows:

Physical & Mailing Address

Interior Gas Utility
Purchasing
3408 International Street

Fairbanks, AK 99701

REF: RFP 2018-#-## Proposal for Financial Advisory Services

Proposals must be received no later than **3:00 PM** local time Month XX, 20XX. Faxed, emailed or oral proposals will not be accepted.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation unless by addendum to this RFP.

1.4 CONTACT REGARDING QUESTIONS

Any questions regarding this request are to be submitted by e-mail to the IGU General Manager.

Dan Britton
General Manager
IGU
3408 International Street
Fairbanks, AK 99707
E-mail: dwbritton@fngas.com

All questions that require clarification or interpretation of this RFP that cannot be answered by careful review of the document must be received in writing at the Issuing Office address (5) five business days before the due date for proposals. If the question cannot be answered by a careful review of the appropriate section of the RFP, the General Manager will respond in writing and post an amendment or clarification as appropriate to the IGU website.

1.5 NEWS RELEASES

News releases by or on behalf of any Offeror pertaining to the award resulting from the RFP's shall not be made without prior written approval of the IGU General Manager.

1.6 RFP/CONTRACT MANAGEMENT

The IGU Board of Directors, or their designee, must approve the contract and any amendments greater than \$25,000 prior to execution of the contract or amendments by the General Manager (GM).

The IGU GM or their designee will participate in the evaluation of proposals, make recommendations for negotiations, and negotiate the final terms and conditions of the contract subject approval by the IGU Board. The GM will also make any determinations with respect to a protest appeal as required by law and sign the contract subject to approval of the board.

The General Manager, as defined by this RFP, is responsible for conducting the solicitation and overseeing the work of the Evaluation Committee to assure compliance with IGU procurement policy and making determinations with respect to any protest. The General Manager is also responsible for contract administration that includes accepting proposals for changes, approving invoices and deliverables and evaluating contractor performance.

2.0 RULES GOVERNINMG PROCUREMENT

2.1 PREPARATION COSTS

The IGU shall not be responsible for response preparation costs, nor for costs including attorney fees associated with any challenge (administrative, judicial or otherwise) to the determination of the highest ranked interested firms(s) and/or award of contract and/or rejection of proposal. By submitting a response each interested firm agrees to be bound in this respect and waives all claims to such costs and fees.

2.2 REVIEW OF THE RFP

Offerors should carefully examine the entire RFP and any addenda thereto, and all related materials and data referenced in the RFP. Potential contractors should become fully aware of the nature of the work and the conditions likely to be encountered in performing the work. Any protest filed by a prospective Offeror related to the materials, data, and requirements of the RFP must be filed prior to the deadline for receipt of proposals.

2.3 ADDENDUM AND NOTICES

If an addendum or notice is issued it will be posted and available on the IGU website at:

<http://www.interiorgas.com>

No oral change or interpretation of any provision contained in this RFP made by any employee or representative of IGU at any time during the solicitation process should be construed by an offeror as either an addition or change to the RFP. Written addenda will be issued when changes, clarifications, or amendments to this RFP are deemed necessary by the General Manager.

An interested offeror may request modifications to the scope, specifications, deadlines, or administrative requirements. Final acceptance or denial of any request is the decision of the General Manager. Failure of the General Manager to respond in writing to a request for addenda to the RFP shall be considered a rejection of the request.

It is the offeror's responsibility to assure they have received and reviewed all addenda and notices related to the RFP. Proposals that fail to address material requirements in any addenda may be rejected as non-responsive.

2.4 LICENSES

All Contractors are required to hold a valid Alaska business license and the necessary applicable professional licenses required by Alaska Statute. For more information on these licenses, contact the Department of Commerce, Community and Economic Development, Division of Occupational Licensing, P.O. Box 110806, Juneau, Alaska 99811-0806. Telephone (907) 465-2538, www.dced.state.ak.us/occ/.

2.5 DISCLOSURE OF PROPOSAL CONTENTS – CONFIDENTIAL INFORMATION

All materials submitted in response to this RFP will become the property of IGU. The list of respondents to this RFP and the content of proposals will be kept confidential until the IGU issues a Notice of Intent to Award. At that time, the selected proposal is open for review (except for information identified as being proprietary).

After the award of the contract, responses and proposals shall become public information except for properly identified proprietary information that has been requested to be kept confidential and the IGU concurs with that request in accordance with the procedures noted in this section. Such confidential information will be kept in the file in a sealed envelope marked confidential with the rest of the submittal.

If an offeror wishes individual pages, which they believe contain actual business, proprietary information be held confidential, each page containing the presumed confidential information must be marked and an explanation furnished of its proprietary nature. In addition to marking individual pages, the proposal's cover will also be annotated with the words "THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION".

"Confidential and Proprietary" information is not meant to include any information which, at the time of disclosure, is generally known by the public and/or competitors or summary cost information used for the purpose of documenting the basis of award.

The IGU shall be the sole determining authority for application of confidential and proprietary information. Should the IGU determine that the requested information is not confidential and/or proprietary; the offeror will be provided the opportunity to remove such designation or request the confidential or proprietary pages of the proposal be returned to the offeror and the proposal be reviewed without consideration of that information. If the offeror requests pages of the proposal be returned, all digital forms of the proposal submission will be returned to the offeror.

Should the offeror refuse to remove such designation, or request the designated pages be returned, the IGU shall reject the submittal as non-responsive without further recourse by the offeror and return the entire submission to the offeror.

By submission of a response, all offerors acknowledge and are bound by this requirement.

2.6 RESPONSE FORMAT

Responses are to be prepared in such a way as to provide a straightforward, concise delineation of the Offeror's capabilities to satisfy the requirements of this RFP. Emphasis should be concentrated on

- 1) conformance to the RFP instructions;
- 2) responsiveness to the RFP requirements;
- 3) completeness and clarity of content.

Section 4 provides specific guidance for offerors regarding the required proposal submission format.

2.7 SIGNATURE REQUIREMENTS

All proposals must be signed. A response and/or proposal may be signed: by an officer or other agent of a corporate vendor, if authorized to sign contracts on its behalf; a member of a partnership; the owner of a privately-owned vendor; or other agent if properly authorized by a power of attorney or equivalent document. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature.

2.8 PROPOSAL ACCEPTANCE PERIOD

Award of this proposal is anticipated to be announced within 45 calendar days of the proposal deadline, although all offers must be complete and irrevocable for 90 days following the submission date. Failure to announce the award within 45 days is not subject to protest under this RFP.

2.9 MODIFICATION/WITHDRAWAL OF SUBMITTAL

A respondent may withdraw a submission at any time prior to the final submission date by sending written notification of its withdrawal, signed by an agent authorized to represent the agency. The respondent may thereafter submit a new submittal prior to the final submission date; or submit written modification or addition to a submittal prior to the final submission date. Modifications offered in any other manner, oral or written will not be considered.

A final submittal cannot be changed or withdrawn after the time designated for receipt, except for modifications requested by the IGU as noted below.

After proposals are opened, modifications may be allowed prior to completion of the evaluation process if the Evaluation Committee determines that it is in the best interest of the IGU to solicit modifications or best and final offers.

Prior to contract award the highest ranked offeror may be requested to modify or correct their proposal during contract negotiations to the extent it is in the best interest of the IGU and such modification would not affect the final ranking of their proposal.

2.10 REJECTION OF SUBMISSIONS & WAIVER OF MINOR INFORMALITIES

The IGU reserves the right to reject any or all submission if determined to be in its best interest.

In addition, the General Manager, based on recommendations of the Evaluation Committee, may reject any proposals that do not comply with all the material and substantial terms, conditions, and performance requirements of the RFP.

Minor informalities, that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other offers; that do not change the meaning or scope of the RFP; that are trivial, negligible, or immaterial in nature; that do not reflect a material change in the work; or, that do not constitute a substantial reservation against a requirement or provision may be waived by the General Manager.

2.11 EVALUATION OF PROPOSALS

All responsive proposals received will be reviewed and evaluated by a committee that will be made up of IGU representatives or staff. Each member shall exercise independent judgment and no member's vote or score will be weighted more than any other. The evaluation will be based on the evaluation factors set out in Section 5 of this RFP.

2.12 EVALUATION INTERVIEWS FOR CLARIFICATION

The Evaluation Committee may require Offerors to provide clarification of certain points in their proposals prior to completion of the evaluation process. The purpose of these interviews is to ensure that the Evaluation Committee has a more complete understanding of the Offeror's proposal. Material changes to proposals or negotiations are not allowed in this process. Information requested for the purposes of clarification will be limited to verification of statements made in the Offeror's proposal.

All Offerors will be given similar opportunities, as required, for clarification. Interviews will be conducted in such a manner that information derived from competing Offerors is not disclosed. Interviews will be scheduled at the convenience of the Issuing Office. AS 44.62.310 does not apply to meetings with Offerors conducted under this section. Interviews may be conducted by teleconference.

Commented [LS1]: Zane does not think we can declare a statute does not apply.

2.13 DISCUSSIONS FOR BEST AND FINAL OFFERS

The IGU may require written or oral submittals from Offerors for the purpose of determining the best offer that may be available. The purpose of these submittals will be to ensure the Offeror has a full understanding of the requirements of the RFP which may include additional requirements not specifically identified at the time the RFP was issued. Discussions will be limited to sections of the RFP identified by the Evaluation Committee.

Discussions, if held, will be with Offerors who have submitted a proposal deemed reasonably susceptible for award by the Evaluation Committee. Discussions would be after the preliminary evaluation of proposals has been completed by the Evaluation Committee. If modifications are made as a result of these discussions they will be put in writing.

Following discussions, the Evaluation Committee may set a time for best and final proposal submissions from those Offerors with whom discussions were held. Re-evaluation of the best and final proposals will be limited to the specific sections of the RFP opened to discussion by the General Manager or his designee.

2.14 CONTRACT NEGOTIATIONS

Upon completion of the evaluation process, contract negotiations may be held in the IGU offices in Fairbanks or by teleconference.

2.15 CONTRACT TYPE

The contract awarded as a result of this RFP will be a term contract for one (1) year with four (4) one-year renewal options. IGU makes no guarantee as to the amount of work that will be available during the period of the contract and any subsequent renewals. Work will be requested and contracted as needed.

2.16 FAILURE TO NEGOTIATE

If the selected Contractor fails to provide the necessary information for negotiations in a timely manner, negotiate in good faith, or cannot perform a substantial portion of the contract within the amount of budgeted funds available for the project, the IGU may terminate negotiations and negotiate with the next highest ranked Offeror, terminate the award of the contract, or cancel the solicitation.

2.17 NOTICE OF INTENT TO AWARD

After completion of the evaluation process and negotiations with the most qualified Offeror, the IGU will issue a Notice of Intent to Award to all offerors. This notice will contain the names and addresses of all the offerors including the intended recipient of the contract.

2.18 PROTESTS

Any actual or prospective Offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the IGU General Manager. A protest with respect to the data, materials or requirements of request for proposal must be submitted in writing prior to the closing date.

The protest of the award of the contract must be submitted within five (5) calendar days after such aggrieved person knows or should have known of the facts giving rise thereto.

The protest must be filed in writing and include the following information: 1) the name, address, and telephone number of the protestor; 2) the signature of the protestor or the protestor's representative; 3)

identification of the solicitation at issue; 4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; 5) the form of relief requested and 6) a non-refundable filing fee of \$75.00.

Within five (5) calendar days of submittal of a timely protest, the protestor shall submit a protest security (bond or cashier's check) in an amount not to exceed five percent of the protestor's proposal price or if proposals have not yet been opened, five percent of total estimated cost of the contract noted in the RFP or \$20,000, whichever is less,

- 1) 1. If, after all the administrative and judicial remedies have been exhausted, the protest fails, the protest security shall be forfeited to the IGU.
- 2) If, after all the administrative and judicial remedies have been exhausted, the protest is upheld in whole or in part, the protest security shall be returned to the protestor.

If the protestor fails to submit the security as required in this section then the protest will be denied without further action.

If the protest is not resolved by mutual agreement, the IGU General Manager shall promptly issue a decision in writing which shall state the reasons for the action taken and inform the protestor of the right to an administrative review.

2.19 ADMINISTRATIVE APPEAL OF PROTEST DECISION AND HEARINGS

An administrative appeal must be filed with the IGU General Manager within ten (10) calendar days of the General Manager's decision. The appeal request shall identify in detail all factual or legal errors in the decision that form the basis for the appeal. The administrative appeal shall be reviewed and determined de novo by the General Manager or, if in the best interest of the IGU as determined by the General Manager, by a hearing officer appointed by the IGU Board. If the General Manager makes the initial decision, the General Manager cannot be involved in the appeal.

- 1) If a hearing officer is used, the hearing officer shall be a member of the State Bar for at least five years and experienced in contract or commercial matters.
- 2) The General Manager or hearing officer shall hold a hearing unless it is determined in writing that the appeal or the underlying protest is untimely or if the appeal involves questions of law without genuine issues of fact.
- 3) Hearings shall be recorded and conducted informally with due regard for the rights of the parties involved. The Rules of Evidence shall not apply.
- 4) The review shall be based on the provisions of this section and Alaska law.
- 5) The General Manager or hearing officer's decision may order that a proposal be accepted as the most responsive proposal and may order any of the additional remedies set forth in section 2.17 of this RFP. The General Manager or hearing officer, however, may not order the selection or rejection of any additive or deductive alternate, or award attorney fees.
- 6) Unless necessary to correct a failure to follow the procedures identified in this RFP or IGU procurement policies and procedures, the hearing officer may not substitute his judgment for the General Manager on any matter vested within the General Manager's discretion and may not order the amendment of any specifications, any change in the criteria for selection of a proposal, or any amendment, reordering, or reassessment of any qualitative judgment in the rating of a proposal.

- 7) The General Manager or hearing officer's decision shall be in writing and contain findings of fact and conclusions of law.
- 8) The decision of the General Manager or hearing officer will be the final administrative decision on the matter.

2.20 REMEDIES ON PROTESTS OR APPEALS

If prior to the closing date for receipt of proposals, the General Manager determines that a solicitation is in violation of federal, state or municipal law, then the solicitation may be canceled or revised to comply with applicable law.

If after the closing date for receipt of proposals, the General Manager or hearing officer on appeal determines that a solicitation or a proposed award of a contract is in violation of federal, state or municipal law, then the solicitation or proposed award shall be canceled.

If after an award of a contract, the General Manager or hearing officer on appeal determines that a solicitation or award of a contract was in violation of applicable law, then:

- 1) If the offeror awarded the contract has not acted fraudulently or in bad faith:
 - a. The contract may be ratified and affirmed, provided it is determined that so doing is in the best interests of the IGU, or
 - b. The contract may be terminated and the offeror awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract, plus 15% on those expenses, prior to the termination;
- 2) If the person awarded the contract has acted fraudulently or in bad faith, the contract may be declared null and void or voidable, if such action is in the best interests of the IGU.

In addition to the relief noted above, if a protest is sustained, and the protesting offeror should have been awarded the contract under the solicitation but is not, then the protesting offeror shall be entitled to the proposal preparation costs but shall not be entitled to attorney's fees, regardless of when incurred.

2.21 THE WORK ORDER PROCESS

The consultant is required to be available upon request to complete tasks. While some work may be negotiated on an hourly rate basis, our intent is to follow a process that will provide for a cost effective and efficient means to accomplish the work required. Proposers may offer an alternative process, terms, or conditions that would encourage or promote efficiencies in using this term agreement.

IGU proposes to use the following work order assignment process for specific projects:

- After identifying a need for a project the General Manager will submit a request to the Consultant by e-mail or phone describing the task(s) to be completed. Each request will:
 - Identify the tasks to be completed.
 - Identify anticipated deliverables.
 - Provide a deadline for completion of the task(s).
 - Provide a deadline for submission of the work order proposal.
- Within the time frame identified in the work order request the consultant will provide a written (e-mail may be sufficient) proposal that includes:
 - Concurrence with the plan and deliverables or an alternate plan and deliverables.

- Estimated time involvement of key individuals.
- A list of any proposed subcontractors and the work they will be doing.
- A proposed work schedule identifying any critical decision points and expectations the consultant may have for IGU for review or participation.
- A cost proposal to complete the work order that includes estimates of all labor, transportation, materials, and expenses to complete the project.
- A fixed cost price for the project as proposed
- Upon receipt of the proposal, IGU will review the proposal with the Consultant and either accept the proposal as offered or negotiate as needed to assure the work is completed in an efficient manner.
- The final work order scope, terms, schedule, and cost will be agreed to in writing by both parties and the IGU will issue a written Notice To Proceed (NTP) with the work (by fax or e-mail).

2.22 OTHER CONSIDERATIONS

- Notification time periods for work may vary from 24 hours to several weeks, depending on the nature and complexity of work required.
- The expected level of detail associated with the consultant's work will be specified in each work order and will be project specific.
- Unless special requests are made (e.g., related to scheduled meetings, or limited availability interviews), the consultant will be free to perform the requested tasks at his/her discretion within the timeframe allotted by IGU.
- Subcontractors may be used by the contractor subject to IGU approval. The Consultant must submit the full name, address, phone, fax, email and a copy of the subcontractor's business license with each work order.
- The Consultant may be required to provide a detailed description of the subcontractor's work in the response to a work order and copies of agreements between the subcontractor and the consultant.
- IGU makes no guarantee as to any minimum amount of work that will be given the successful contractor.
- The Consultant will be responsible for having all necessary equipment and other resources to perform the tasks.
- The Consultant will seek to be efficient with regard to time expended and costs incurred.
- Failure of the Consultant to respond to the work order requests timely or failure to complete work on time may be grounds for termination of the contract.

3.0 SCOPE OF WORK

Provide financial advisory services required to obtain a credit rating and provide assistance in the issue of tax-exempt bonds for project financing to develop and execute a debt financing plan. This may include, but not necessarily be limited to, the following:

- Evaluate and provide both oral and written recommendations regarding:
 - IGU's capital financing needs related to capital planning and improvement program needs.
 - IGU's financial resources.
- Identify and analyze debt strategy alternatives, including alternative financing options; and recommend debt issuance strategies, including both timing and structure of debt issuance.
- Make recommendations regarding the conditions and form of bond sales.
- Evaluate the use of credit ratings or bond insurance, and recommend for or against the use of these credit options. Present any bond issue to bond rating agency and bond insurers and work with the agencies to secure the best possible results.
- Assist in the development and evaluation of requests for proposals and other bidding documents for various services for the transaction, including procurement of bond insurance.
- Assist in communicating with rating agencies and addressing their requirements to establish and maintain IGU's ratings.
- Assist in the preparation of official statements or other necessary financing documents.
- Assist in the negotiation of the terms or the evaluation of bids with bond purchasers including preparations for and participation in discussions and meetings with underwriters.
- Coordinate with bond counsel regarding legal documentation for any financing. Review and provide input into any Bond Resolution and other legal documentation for the bonds.
- For a competitive sale of bonds, the Advisor will take all steps necessary to ensure broad market exposure of the issue. The Advisor will take all steps necessary and customary for competitive bond sales.
- For a negotiated sale of bonds, the Advisor will review and oversee the Underwriter's bond marketing plan, review the interest rates, reoffering yields, underwriters compensation and other terms and conditions of the sale, and advise the IGU on the reasonableness of the Underwriter's purchase proposal.
- Assist in the closing of the transaction(s).
- Prepare bond amortization schedules at the level necessary to calculate future debt service payments and satisfy accounting, budgetary and borrowing requirements.
- Assist in the post offering responsibilities for each sale, including ensuring IGU compliance with continuing disclosure filing requirements and providing a post-transaction summary report.
- Provide additional services directly related to, and necessary for, the successful completion of financing.

Commented [LS2]: Zane asks what "improvement program needs" means?

4.0 SUBMISSION REQUIREMENTS

The IGU wishes to discourage unnecessarily lengthy and costly proposal preparation, yet all proposals must contain the following information, formatted as requested. Proposals should be limited to the requested information. Failure to follow this format for a proposal or failure to include complete information as requested may result in a lower score or disqualification of the proposal depending on the severity of the discrepancy.

4.1 REQUIREMENT

Offerors must submit one unbound hardcopy of their proposal **and** one electronic copy in PDF format on CD or USB drive in a sealed envelope or package. The envelope or package must be addressed as follows:

Physical & Mailing Address

Interior Gas Utility
Purchasing
3408 International Street
Fairbanks, AK 99701

REF: RFP 2018-#-## Proposal for Financial Advisory Services

Proposals must be received no later than **3:00 PM** local time Month XX, 20XX. Faxed, emailed or oral proposals will not be accepted.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation unless by addendum to this RFP.

4.2 SUBMITTAL CONTENTS

Submittals are expected to be in the following format, address the specific issues and may not be more than 15 pages, excluding exhibits.

4.2.1 INTRODUCTION

Include a letter of transmittal containing the complete name and address of the firm; name, mailing address, and telephone number of the contact person for the proposal; Alaska Business license number or proof of having a valid Alaska business license as required by Section 2.4, and a statement confirming that the proposal is valid for ninety (90) days from closing date for receipt of proposals.

Include a title page showing:

RFP #

Firm's Name

Date of Proposal

Include a Table of Contents

4.2.2 UNDERSTANDING OF THE PROJECT AND COMMITMENT

Include a brief discussion of your understanding of the services required, your relevant experience with financial advisory services for a utility and why this work would be a good fit for you or your company. Provide a brief summary of how you meet the minimum Contractor requirements listed in Section 1.2.

Include a summary of any potential problems you believe may be encountered in the performance of the contract and your creative suggestions for addressing these problems. Also include your expectations of the General Manager, the IGU, or other entities that may be involved in this process.

Describe your availability to commit to this work as requested. Include other work or clients that you have or may have during the period of performance and any impacts that may have on your ability to complete work for IGU.

4.2.3 METHODOLOGY

Briefly discuss how you would complete the tasks identified in Section 3. Provide a description of the resources you have or would need to acquire to perform the tasks under contract. Detail any additional tasks or other requirements that may be required to perform the financial advisory services under the contract. Include any suggestions you may have for performing all tasks more efficiently.

Discuss anticipated interaction and communication between your firm and IGU as well as any expectations you would have regarding start-up.

Provide examples of reports or other materials which may be submitted to the IGU.

4.2.4 PERSONNEL AND FIRM QUALIFICATIONS AND EXPERIENCE

Include a statement of qualifications and resumes for all key personnel designated to perform work under this RFP.

The statement of qualifications should include:

- A list of key players in the company, their position in the company, what role they will have under this contract.
- A statement of expected availability of key personnel over the term of the contract.
- An organizational chart for the company.
- A listing of key partners or subcontractors that may be directly involved in this contract that you routinely work with, how they relate to your organization, and what their role may be in this contract.

Resumes of key personnel should include:

- Education including current certifications and professional memberships.
- Work history with reference names and phone numbers.
- A listing of specific projects they were involved with.

In addition to information about the key individual's experience, provide documentation verifying the qualifications and experience of the firm and known subcontractors as they relate to carrying out the services solicited in this RFP.

Demonstrate experience in providing financial advisory services to similar entities. Provide the following information for no more than three clients that you have provided services for:

- A brief description of the level of service provided.
- The names of key individuals from your company that provided the service.

- Length of service provided.
- Client's name, address, current telephone number, and contact person who can respond to queries concerning their experience with your firm.

4.2.5 CONTRACT FORM

IGU's standard services contract and insurance term requirements are included as Appendix A and B, respectively.

4.2.6 PRICE PROPOSAL

Present your compensation approach and fee proposal for the scope of work as described in Section 3. Please document any key assumptions made in developing the fee proposal and any other contingencies IGU should be aware of. Proposals should include all costs to be charged to IGU under the proposed contract. For special project work, indicate your hourly rates. For transactions, describe how your fees are calculated for each type and size of transaction, and provide examples. State and explain any minimum or maximum charges per transaction. State what costs are included in the transaction fees and what costs are to be separately reimbursed. As a summary example, provide a budget estimate for the total charges by the firm to design and lead a competitive, negotiated or direct placement funding of a planned \$25 million bond issue in 2020.

5.0 EVALUATION CRITERIA AND PROCESS

5.1 EVALUATION PROCESS

All responsive proposals received will be reviewed and evaluated by a committee that will be made up of IGU representatives. Each member shall exercise independent judgement and no member's ranking or score will be weighted more than any other.

Proposals will be opened and evaluated in a manner that avoids disclosure of the contents to competing offerors during the evaluation process and negotiations.

Proposals will initially be reviewed for the following minimum responsiveness requirements.

- Was the proposal received by the deadline for receipt of proposals?
- Does the firm demonstrate they meet the minimum experience and qualifications requirements of Section 1.2?

Proposals that fail to meet these requirements will be rejected as non-responsive and will not be further evaluated or scored. The Evaluation Committee will evaluate the remaining proposals based on the evaluation criteria and weighting listed in this section.

The Evaluation Committee may select a vendor for negotiations based on the evaluation of proposals as submitted with no additional contact from the offerors. However, if the Committee desires they may request additional information for the purpose of clarification (Section 2.12), or develop a list of proposals reasonably susceptible for award, and request best and final offers (Section 2.13).

Re-evaluation of proposals after discussions will be conducted by the same Evaluation Committee using the same criteria and weights laid out in this section.

Offerors reasonably susceptible to being selected for award will be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.

NOTE: the IGU may award a contract on the basis of initial proposals received without requesting clarification, discussions or a best and final offer. Therefore, each initial proposal shall contain the Offeror's best terms from cost/price and technical standpoints.

5.2 EVALUATION CRITERIA

The Offeror's score under this section will be determined by the subjective review of the technical proposal as outlined under Section 4.2 above based on the following criteria:

Understanding of our Requirements	20%
Methodology	10%
Personnel and Firm Qualifications and Experience	25%
Terms and Conditions	10%
Cost	35%

5.3 SELECTION PROCESS AND SCHEDULE

The objective of IGU is to select a financial advisor based on the following schedule.

Release Request for Proposals	TBD
Proposal Responses Due	+3 weeks
Finalists Notified	+2 weeks
Vendor Interview (if desired)	+2 weeks
Vendor Reference Checks Complete	+2 weeks
Final Selection	+2 weeks
Contract Awarded	TBD