

Purpose

DC Green Bank is seeking a financial advisor to assist its management team in designing a strategy for allocation, deployment, and sourcing of capital.

Background

Pursuant to the Green Finance Authority Establishment Act of 2018, effective August 22, 2018, as amended (D.C. Law 22-395; D.C. Official Code § 8-173.23), the District of Columbia (“District”) established the DC Green Finance Authority, commonly referred to as DC Green Bank (“DCGB”). The mission of DC Green Bank is to provide access to capital, growing the clean economy to develop a more equitable, resilient, and sustainable DC.

Specifically, DC Green Bank aims to:

- Attract public and private capital by leveraging our locally funded capital base.
- Use financial tools to increase capacity, accelerate lending, and recapitalize funds to support the Bank’s mission.
- Become a go-to resource for District residents, small business owners, and commercial developers interested in energy efficiency improvements, clean energy installations, and construction of green infrastructure; and
- Be a breakeven entity, where the revenues earned from financing activity cover its operating costs over the long-term.

DC Green Bank provides financing for sustainable projects and programs such as clean energy, clean infrastructure, clean transportation, stormwater best management practices, energy efficiency, water efficiency, and green infrastructure.

DCGB currently has 11 full-time staff. The regular interface with the advisor would be the Chief Investment Officer, Financial Controller, Chief Executive Officer, and General Counsel. Deal origination, structuring, execution, and portfolio management is primarily handled by the Chief Investment Officer and two (2) Investment Associates, with significant roles played by the Financial Controller and General Counsel at various stages of the process. DCGB’s CEO is actively involved in deal origination, partner identification, and relationship management. Others who support the deal process are: Director of Operations and Executive Assistant through operation of the Monday.com CRM; Sustainability Director through handling of vendor procurement and asset management compliance and monitoring; Equal Access Advocate through relationships with local community-serving organizations that are in need of green building improvements; and External Relations Partner through links to District and federal government officials, media, and public outreach.

DCGB has four (4) publicly announced target investment sectors: solar energy, clean transport, green buildings, and stormwater resilience. These are further defined in the **Appendix**. DCGB’s current and anticipated pipeline contains a significant amount of structured projects. Some examples of structured projects are described below, and we have a strong interest in continuing to develop structured offerings

that provide high impact with a strong likelihood of mobilizing private capital, accelerating commercialization of private capital offerings for green finance, or more ideally both:

- Construction plus permanent loan for solar projects and portfolios of projects
- Working capital, equipment, and construction revolver
- Pre-development mortgage loan
- Pre-development revolver
- Subordinated debt for project gap financing
- Term loan for energy efficiency installations
- Term loan to financial intermediary for investments in sustainable infrastructure Loan participations, split notes, and administrative agent lender relationships

While such structures may often involve DCGB direct financing, DCGB may also engage via the following:

- Bond issuances: tapping into our bond authority, we can work with project sponsors to issue conduit bonds thus benefitting from the tax-exempt status which could lead to a lower rate of financing for sustainable infrastructure projects.
- Credit enhancements: this could be in the form of guaranties, loan loss reserve funds, or other mechanisms to stimulate commercial lending and bond market activity in our priority sector areas.
- Participations: DCGB could serve as lead arranger, or (as more commonly done in our early period of operation) act as a participant when co-financing with another bank or green finance institution.

In addition to structured projects, we offer “off-the-shelf” products including a Loan Loss Reserve Fund to provide credit enhancement for Commercial Loans for Energy Efficiency and Renewables ([CLEER](#)), pre-development loan for energy efficiency projects ([Navigator](#)), and we will soon be administering [DC PACE](#) (which will continue to be administered and serviced by an outside party, with funding on specific projects originated from registered PACE lenders).

While the current portfolio consists of one solar construction loan (\$1.7 million), one guaranty of a solar permanent loan (\$300,000), and one loan loss reserve fund of \$100,000 (with one bank), DCGB is ramping up capital deployment across the various existing and new products. DCGB currently has approximately \$23 million in cash, with a total District commitment of \$105 million. In the FY2022 Mayor’s proposed budget for DC, the Mayor has also included an additional \$25 million over the next three fiscal years focused on building retrofit construction loans. For details around our funding sources and the required uses of those funds, please review our FY2020 Annual Report and FY2020 audited financial statements in the links below, specifically focusing on the restricted (Renewable Energy Development Fund) and unrestricted (Sustainable Energy Trust Fund) sources of capital.

DCGB has already received a letter of intent from Generate Capital to jointly fund \$100 million of projects in the District and would expect to institute further partnerships and actionable mobilization of private capital. DCGB may also be able to access additional capital from various federal programs, including the US DOE Loan Program Office and the proposed Clean Energy and Sustainability Accelerator if that is signed into law.

Scope & Required Services

- 1) Market assessment of investment focus areas for DCGB to arrive at allocation of capital, incorporating existing green bank and other mission-driven institution tools employed elsewhere, capital availability for certain market segments in the District, etc.
- 2) Consider pricing (rates and fee) ranges based on cost of capital and market standards
- 3) Identification of alternate funding sources to match allocation and deployment targets. This could be in the form of foundation or other zero-/low-interest funding managed by DCGB for specific financing activity or through specific programs where DCGB calls capital from an outside source as a participant alongside DCGB's balance sheet financing. This may also include federal funding through the Clean Energy and Sustainability Accelerator.
- 4) Draw up potential project concepts and deal generation plans for using DC Green Bank's bond authority including, for example, through a conduit bond program, and for a sensitivity analysis on minimum balance sheet needs for using DC Green Bank's bond authority as part of a capital raise strategy.
- 5) Develop 5-year business plan model, which would allow DCGB team members to operate, modify, and stress assumptions using MS Excel. The objective should be to reach financial sustainability within the designed time period (i.e. cash flow positive), while also achieving impact related to DCGB's performance targets (see link below). The model should be accompanied by a descriptive presentation and should include granular details around:
 - Uses of capital: incorporate market assessment, typical deal size, team bandwidth for executing deals
 - Sources of capital: existing DCGB cash, District fund commitments (SETF and REDF), bond authority, and alternate sources

Deliverables

No	Item	Timing
1	Questions/Information List for Discovery Session (may require multiple sessions).	Within 1 week of mobilization
2	High level outline of business plan (in consideration of items 1-4 in the Scope). To be accompanied by presentation.	Within 2 weeks of first Discovery Session (Item 1)
3	Excel model with proposed final business plan. <i>Follow-up working session(s) on model operations and to tweak business plan for Board.</i>	Within 2 weeks of high-level business plan presentation (Item 2)
4	Preparation of Board package for DCGB September Board meeting to seek approval of capital strategy.	Board date TBD, likely middle of September; final materials to be provided 2 weeks in advance of the Board meeting.
5	Implementation plan following feedback from DCGB's Board and external stakeholders after presenting the capital strategy.	Within 2 weeks of receiving detailed feedback from DCGB following its September 2021 Board meeting.

Terms

DCGB proposes that the term of the contract for the services would start on July 26, 2021 for the earlier of a) a six (6) month period or b) the final deliverable, with the option to renew according to a revised scope in the future.

Proposed Payment Scheme

No	Deliverable	Amount (%)
1	Mobilization	15%
2	Discovery Session	10%
3	High Level Business Plan presentation	25%
4	Proposed Business Plan with .xls	25%
5	Board Package	15%
6	Implementation Plan	10%
7	Final retainer for ongoing requests / clarifications (to be paid 2 months after final deliverable)	10%

To be invoiced monthly (which may include multiple deliverable milestones).

Requirements

Proposal responses should demonstrate the expertise of the organization's ability to perform the outlined scope of work.

The following information must be included in the vendor's proposal. Please submit two separate envelopes by email (for technical and financial proposals) with the following email headers: 1) "DCGB Financial Advisor – TECHNICAL PROPOSAL"; 2) "DCGB Financial Advisor – FINANCIAL PROPOSAL".

Processing Fee

Submissions do not require a processing fee.

TECHNICAL Envelope

1. **Letter of Transmittal:** The letter should include the following:
 - Company name, address, and telephone number(s).
 - Name, title, address, email address, and telephone number of vendor's contacts.
 - Contacts should be authorized to represent their firm in business transactions and specify where correspondence should be directed.
 - Outline your firm's understanding of the proposed services and positive commitment to provide the services outlined.
 - A signed certificate of authority that the individual signing and the proposal on behalf of the vendor is legally authorized to bind the firm to the Proposal and cost schedule.
 - A statement that indicates Proposal and cost schedule is valid and binding on the vendor for ninety (90) days following the Proposal submission date and will become part of the negotiated contract except as mutually modified by the parties.
 - Form contract for services.

2. General Vendor Information

- Length of time in business providing proposed services
- Total number of clients
- Number of full-time personnel, specifying job duties
- Number of part-time personnel, specifying job duties
- Office location servicing DC Green Bank

3. Mission Alignment: Sustainability, Clean Economy, and Inclusive Prosperity

- Describe your company's approach and methodology (including benchmarking and progress on goals) relating to sustainability, contributing to the clean economy, and inclusive prosperity. Please also describe the supplier diversity and responsible sourcing program that you use in the sourcing process for your company's vendors, suppliers, and subcontractors.

4. Positioning to complete services

- Provide a history of experience providing similar services, as well as a description on how your firm is positioned to provide required services. Please include information about your resources and financial health for the past three (3) years.

5. Service Approach, Methodology

- Describe, in detail, your approach and methodology to provide the services required and ongoing support. In addition to describing your services, include a description of your internal security, privacy and anti-corruption practices and/or codes of conduct.

6. Staff Resources

- Provide names, titles, job summaries, and resumes of key personnel who will provide services to DC Green Bank. Describe the roles and responsibilities that each team member will provide to this project, specifying the Team Lead for this engagement.
- Describe how your Relationship Manager will work with DCGB to ensure the smooth transition of working with your organization. DCGB shall not be held liable if the transfer is delayed beyond the implementation date due to circumstances beyond DCGB's control. Explain how your Relationship Manager will manage DCGB and communicate any new services or changes to services. Provide the turnover rate of your Relationship Manager with their clients, with an estimate of how many years DCGB can expect to deal with that individual. The Relationship Manager needs to be available to meet in DCGB face-to-face or electronic meetings.

7. Terminated Contracts

- Provide any information where your firm voluntarily terminated a contract, or your contract counterparty terminated your firm's contract, during the past five (5) years. Termination for default is defined as notice to stop performance due to the vendor's nonperformance or poor performance, and the issue was either (a) not litigated, or (b) litigated, and such litigation determined the vendor to be in default if a default occurred, list complete name, address, and telephone number of the party.

8. Other Services

- Provide a brief description of your firm's other services, beyond this RFP scope, that DC Green Bank may pursue.

9. Executive Summary

- Summarize your Proposal and your firm's qualifications to complete the required services. Additionally, you may include why your firm is pursuing this work and how it is uniquely qualified to perform it, and other information that may assist DC Green Bank

in determining your qualifications. The executive summary should not exceed two (2) pages.

10. References

- Provide three (3) references for clients that you have delivered similar services. Reference the actual services provided, client size, and length of services. Please provide email and telephone numbers for the references.

FINANCIAL Envelope

Cost of Services

- Proposals must contain a fee schedule that includes a flat amount for the scope inclusive of assumptions of staff time and hourly/daily rates for additional services. Describe the rationale for pricing, specific pricing you can provide, and potential additional charges.
- Include a proposed engagement letter form.

This request for proposals (RFP) contains background information on DCGB and specific information that must be included in the proposal submitted. The proposal must be submitted as a PDF by email (in two separate emails per instructions above), no later than **10:00am, July 2, 2021** directly to:

DC Green Bank
Attention: Jay Lurie, Chief Investment Officer
Email: jlurie@dcgreenbank.com
Phone: 202-301-8303

Donald Walker, Director of Operations
Email: dwalker@dcgreenbank.com
Phone: 202-301-8304

And

info@dcgreenbank.com

Conflicts of Interest

The proposals must identify any potential conflicts of interest known to the firm that may affect the provision of services to DCGB.

Proposal Process

Jun 17, 2021	RFP will be made available
Jun 24, 2021	Bidder Questions Deadline
Jun 28, 2021	DCGB response to questions
Jul 2, 2021	All Proposals must be submitted to DCGB by 10:00am EST
Jul 12-13, 2021	Presentations for select candidates
Jul 16, 2021	Selection of the preferred candidate will be made and negotiation of terms of engagement undertaken. Other short-listed firms will be notified in due course.
July 26, 2021	Services commence

Selection Criteria

Scoring Breakdown

Technical score: Proposal	70%
Technical score: Presentation	10%
Financial score	20%

Technical score breakdown

Criteria	Available Points
Mission Alignment: Evaluates the organization's stated alignment to the DC Green Bank mission in the below categories: <ul style="list-style-type: none"> Clean Economy Commitment Sustainability Commitment Inclusive Prosperity Commitment (e.g., pro bono, service, incentive programs, etc.) Sustainability Program/Benchmarking DEI Program/Benchmarking 	25
Methodology for matching scope, including ability to meet timeline	30
Firm and/or Key Principals Experience on similar engagements, highlighting experience of proposed team lead for this engagement.	30
Experience of supporting team members on similar engagements.	15
Total Available Points	100

Financial proposals will only be reviewed for select final candidates.

Proposal Conditions

Contingencies

- This Request for Proposals (RFP) does not commit DCGB to award a contract. DCGB reserves the right to accept or reject any or all proposals or waive irregularities if DCGB determines it is in the best interest of DCGB to do so.

Acceptance or Rejection of Proposals

- Proposals shall remain open until July 2, 10:00am EST, DCGB realizes that conditions other than lowest cost are important and will award contract(s) based on the proposal(s) that best meet DCGB's needs.

Modifications

- DCGB reserves the right to issue addenda or amendments to this RFP.

Proposal Submission

- To be considered, all proposals must be submitted in the manner set forth in this proposal. It is the Institution's responsibility to ensure that its proposal arrives on or before the specified time.

Incurring costs

- This RFP does not commit DCGB to pay any costs incurred in the preparation of a proposal in response to this request. The Institution agrees that all costs incurred in developing its proposal are the Institution's responsibility.

Negotiations

- DCGB may require the Institutions selected to participate in negotiations, and to submit cost or other revisions of their proposals as may result from negotiations.

Final Authority

- The final authority to award contracts as a result of this RFP rests solely with DCGB.

Other Proposer Considerations

Proprietary information: Information submitted to DC Green Bank that the Proposer wishes to have treated as proprietary and confidential trade secret information should be identified and labeled as "Confidential" or "Proprietary" on each page at the time of disclosure.

Contact Information

All inquiries should be directed to Jay Lurie, Chief Investment Officer – jlurie@dcgreenbank.com, 202-301-8303

The following documents are applicable to this procurement and are hereby incorporated by this reference:

Item No.	Title	Date	Location
1	The Energy Efficiency Financing Act of 2010, effective May 27, 2010, as amended (D.C. Law 18-183; D.C. Code, 2001 Ed. § 8-1778.01 et seq.) (the "PACE Act")	Latest	https://code.dccouncil.us/dc/council/laws/18-183.html

2	Green Finance Authority Establishment Act of 2018	Latest	https://legiscan.com/DC/text/B22-0257/id/1808126/Washington_D_C_-_2017-B22-0257-Enrolled.pdf
3	Clean Energy Omnibus Amendment Act of 2018	Latest	https://legiscan.com/DC/text/B22-0904/id/1833946/Washington_D_C_-_2017-B22-0904-Enrolled.pdf
4	DC Green Bank Website		https://dcgreenbank.com/
5	Financial Institutions Deposit and Investment Amendment Act of 1997	Latest	https://code.dccouncil.us/dc/council/laws/docs/12-56.pdf
6	DC Green Bank Annual Report (with audited financial statements)	Latest	https://dcgreenbank.com/press/fy2020-annual-report-audited-financial-statement/
7	DC Green Bank Performance Targets	April 2021	https://dcgreenbank.com/performance-targets/

Notwithstanding anything contained herein, any award pursuant to this RFP shall be subject to the provisions of (a) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341-1351 and 1511-1519(2004), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2012 Repl.); (b) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq. (2012 Repl. and 2014 Supp.) ((a) and (b) collectively, the “Anti-Deficiency Acts”); and (c) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2012 Repl.), as each may be amended from time to time and each to the extent applicable to this RFP.

APPENDIX: Investment Focus Areas

1. Solar Power
 - a. Pre-Development, Construction, Operations & Maintenance
 - i. Rooftop / Canopy, Ground-mounted, and Floating
 - ii. Solar + Storage
 - b. Community Solar and PPAs with Site Hosts
 - c. Solar Renewable Energy Certificates (SRECs)
 - d. Aggregation/pooling of solar projects and SRECs

2. Stormwater Resilience
 - a. Green Infrastructure Development
 - b. Stormwater Retention Credits

3. Green Buildings
 - a. Affordable Housing
 - b. High Performance Buildings
 - i. Equipment (HVAC, Lighting, Refrigeration, Insulation)
 - ii. Operations & Maintenance
 - c. Sustainable & Resilient Design, Development & Construction
 - i. Construction Methods and Materials
 - ii. Energy Efficient Upgrades & Retrofits

4. Clean Transport
 - a. Electrification Transition
 - b. EV and Fleet
 - c. Infrastructure & Access