

Notice Type: Request for Proposal

Short Title: Incentive Fulfillment Contractors

### What This RFP Seeks

Vermont Energy Investment Corporation (VEIC), d/b/a Efficiency Vermont, requests proposals from **contractors who can provide comprehensive rebate fulfillment services involving retail coupons, online rebates, mail-in rebates, and negotiated cooperative promotion processing and fulfillment.** These services support energy efficiency market transformation programs in Vermont's residential lighting and appliance markets.

### Program Objective

To transform the residential lighting and appliance marketplace by making it easy for Vermont retail customers to receive timely monetary rewards for purchasing qualified, high-efficiency products.

### Overview

Efficiency Vermont has a strong record of effectively reducing the costs of high-efficiency residential lighting and appliances to Vermont utility ratepayers. It has achieved this record via several different promotion strategies, among which are: instant coupons, online rebates, mail-in rebates, appliance turn-in programs, sales staff incentives (SPIFFs), wholesale or retail markdowns and buydowns.

This Request for Proposals seeks contractors who will work with Efficiency Vermont, its field support staff, and marketing contractors to support retailer or manufacturer redemption or reimbursement components of lighting and appliance programs. These promotions are expected to involve the **Efficiency Vermont Retail ENERGY STAR® Lighting Program and Advanced Power Strip Program**, and the **Efficiency Vermont ENERGY STAR Appliance Program**. Efficiency Vermont might add other promotions, but all will be contained under a single scope of work.

#### Posted date:

#### E-mail response date:

- September 29, 2014
- 5:00 p.m. EDT

#### Point of contact at VEIC:

- Laura Drexel, Market Coordinator
- [ldrexel@veic.org](mailto:ldrexel@veic.org)

#### How to submit

VEIC requires e-mailed submissions of proposals. Please send all **electronic submissions** to Laura Drexel at [ldrexel@veic.org](mailto:ldrexel@veic.org) by **5:00 PM EDT, September 29, 2014.**

In addition to the electronic submission, a hard copy of each proposal should be submitted to: Laura Drexel, Vermont Energy Investment Corporation, 128 Lakeside Avenue, Suite 401, Burlington, Vermont, 05401, to arrive by 5:00 PM EDT on September 30, 2014. All proposals (including attachments) should be no longer than 25 pages, excluding appendices.

## Scope of Work

### Retail ENERGY STAR Lighting / Advanced Power Strips

#### Products

Efficiency Vermont's Retail ENERGY STAR Lighting Program promotes the sale of ENERGY STAR Qualified lighting: compact fluorescent light bulbs (CFLs), CFL fixtures, LED downlights, LED screw-base bulbs, and LED luminaires, through monetary per-unit incentives. Efficiency Vermont's Advanced Power Strip Program promotes qualifying advanced power strips (criteria set by Efficiency Vermont) through monetary per-unit incentives. These incentives are executing through negotiated cooperative promotions.

#### Process for Negotiated Cooperative Promotions

The vast majority of lighting and advanced power strip products qualifying for incentives have been sold through midstream negotiated cooperative promotions with retailers and manufacturers. Manufacturers and retailers jointly submit proposals through a competitive process to Efficiency Vermont. Efficiency Vermont reviews the proposals, accepts those that meet its requirements, negotiates final terms, and signs Memorandums of Understanding (MOU) with the participating parties.

These joint promotions typically involve a retailer or manufacturer markdown or buydown, and they generally run from January 1 through December 31 of a given year. For a buydown, Efficiency Vermont pays incentives to the manufacturer or retailer from verified shipment invoices and sales data of the qualifying products. Efficiency Vermont pays a markdown only upon receipt of sales data of qualifying products.

#### Role of the Contractor – Negotiated Cooperative Promotions

The Contractor will be responsible for (1) collecting, verifying, and tracking sales and shipment data for each promotion; (2) managing partner payments; and (3) sending invoices to Efficiency Vermont for payment. Efficiency Vermont signs more than 100 MOUs each year for several million dollars' worth of support for and incentives from negotiated cooperative promotions.

#### Process for Instant Rebates

Efficiency Vermont's retail coupon component provides customers with instant rebates for the purchase of qualifying ENERGY STAR lighting products (bulbs, downlights, and indoor and outdoor fixtures), and of qualifying advanced power strips (APS) in participating retail outlets. Efficiency Vermont distributes the instant coupons primarily through placement in retailer promotional displays. Customers redeem these coupons at the time of purchase for qualified products.

**Role of the Contractor – Instant Rebates**

Participating retailers forward the redeemed coupons to the Contractor for verification and reimbursement. The Contractor is responsible for collecting, verifying, and tracking sales for each coupon promotion, in addition to managing partner payments and invoicing Efficiency Vermont for payment.

**Efficiency Vermont ENERGY STAR Appliance Program****Products**

The Efficiency Vermont ENERGY STAR Appliance Program primarily targets qualified clothes washers, clothes dryers, refrigerators, dehumidifiers, heat pump water heaters, and pool pumps.

**Process**

For the Efficiency Vermont Appliance Program, customers purchase a qualifying appliance and fill out a rebate form, either via the Efficiency Vermont website or from the retailer, and submit it online or by mailing it to Efficiency Vermont. The customer mails the completed form to the Contractor for verification and reimbursement. The Contractor is responsible for collecting, verifying, and tracking appliance rebates, and for managing customer payments and invoicing Efficiency Vermont for payment. Efficiency Vermont will manage and supply to the Contractor monthly Qualified Product Lists (QPLs) for all promotions.

**Role of the Contractor**

The selected Contractor will also be expected to support other Efficiency Vermont efforts to implement promotions. These promotions will typically be short term, and may involve instant coupons, appliance turn-in or bounty programs, sales staff incentives (SPIFFs), wholesale or retail buydowns and markdowns, school fundraisers, or other incentive approaches. The number of Efficiency Vermont retail partners participating in these joint promotions is expected to vary.

**Acceptance**

By submitting a response to this RFP, the Bidder acknowledges understanding and accepting this Scope of Work, and agrees to fulfill all of its terms in the event of a contract award.

**General Statement of Work**

This section describes the core tasks that will be required of the Contractor for the Efficiency Vermont Retail ENERGY STAR Lighting Program and the ENERGY STAR Appliance Program. It is generally understood that a Bidder should submit one proposal for both programs. It is Efficiency Vermont's intention that each Contractor will be performing services for both programs. The essential tasks are:

- **Maintain an online catalog** of energy-efficient products.
- **Store and maintain redeemed coupons and mail-in rebate forms** for Efficiency Vermont, for a duration determined and directed by Efficiency Vermont.
- **Provide payment processing services** to:
  - Retailers who submit redeemed coupons
  - Manufacturers and / or retailers for markdown and buydown reimbursements
  - Consumers for online or mail-in rebate requestsPayments to retailers and manufacturers will be made semi-monthly; payments to consumers will be made within 15 days of receipt of the rebate form. The Contractor will remit payments to consumers or manufacturers / retailers and then submit invoices to Efficiency Vermont for reimbursement.
- **Timely payment of incentives** to Efficiency Vermont's manufacturer and retail partners is of paramount importance. Efficiency Vermont requires that the Contractor possess a line of credit with a financial institution, in order to make payment to participants and manufacturer retailer partners in 15 or fewer days. Efficiency Vermont will reimburse the Contractor with a per-unit processing fee for eligible products, and a percentage charge on the incentives disbursed to program partners. The percentage charge on the incentives will be equal to the Contractor's cost of money (rate subject to mutual agreement), with a net 35-day invoice term for reimbursement from Efficiency Vermont.
- **Process and verify sales and shipping documents** submitted by retailers and manufacturers as part of promotions with industry. These promotions might include, but are not limited to: instant coupons, mail-in and online rebates, sales staff incentives (SPIFFs), and wholesale or retail markdowns or buydowns.
- **For negotiated cooperative and other promotions**, the Contractor will collect and track product invoices, bills of lading, shipping invoices, and sales data to verify requests for reimbursement from manufacturers and retailers. The Contractor will track and report sales data (see **Design and maintain an electronic database**, and **Transfer data** line items in this list) by storefront (store location) and in aggregate. At a minimum, the data must show
  - the number of customer transactions
  - product sales by product type and model number
  - product price

Data for promotions may need to be collected not only for the promotion period, but also for some defined period prior to and following each promotion. Information on each promotion will be tracked and reported separately.

- **Invoice manufacturers and retailers** for their share of joint rebates and SPIFFs offered in conjunction with Efficiency Vermont.
- **Respond directly to questions or issues** by the Efficiency Vermont program staff, or by other stakeholders or parties (for example, program evaluators) with whom Efficiency Vermont has directed the Contractor to collaborate.
- **Design and maintain an electronic database** for tracking program activity involving coupons, online rebates, and mail-in rebates in a format approved by Efficiency Vermont. At a minimum, the database must contain:
  - a listing of the retailer and customer participants
  - the volume of Program product sales for each of the products, by category, (clothes washer, LED downlight, standard CFL, etc.) and / or by model number
  - the number of coupons, online rebates, and mail-in rebates redeemed
  - specific information for each participating customer (name, address, and utility company account number)
  - any survey data collected

The Contractor will report the number of unprocessed coupons and rebate forms, and the average and maximum number of days before a retailer, manufacturer, or customer is reimbursed after the necessary rebate or incentive documentation has been received. The Contractor will provide Efficiency Vermont with database reports each month, containing Efficiency Vermont customer-specific data and aggregate reporting.

- **Transfer data.** The Contractor will electronically transfer data in a format specified by Efficiency Vermont. In addition, the Contractor must have the ability to produce ad hoc reports upon request.
- **Host online forms.** The Contractor will manage and host online appliance rebate forms that can be electronically submitted, tracked, managed, and fulfilled.
- **Store hard copy documentation:** mail-in rebate applications and upstream incentive documentation (point-of-sale reports, shipping documentation, invoices, and billing packages). The Contractor will store information on site for Efficiency Vermont programs for at least 18 months. Beyond this period, the Contractor will store documentation in a cold storage facility for up to five years.

## Performance Period

The proposed contract period is three years from January 1, 2015, through December 31, 2017.

## Budget and Pricing

The Contractor will be paid a per-unit fee to perform all the services and tasks outlined in **General Statement of Work**. This fee will cover all of the Contractor's costs and expenses to perform the services and tasks. The Contractor will also be reimbursed for Efficiency Vermont-authorized incentive payments to manufacturers and retailers, and Efficiency Vermont-authorized mail-in appliance rebates that the Contractor pre-funds.

## Pricing Requirements

Proposed pricing by Bidders shall conform to the following format:

- Tracking system development and implementation fee.
- A monthly and / or quarterly management fee.
- A fee and / or markup structure for processing rebates and issuing reimbursements to retailers and customers. Please provide separate unit costs for fulfilling customer mail-in rebates, the in-store retailer coupons, and negotiated cooperative promotions.
- A pricing structure to support sales and shipment data collection, verification and reporting, document verification, and retailer and manufacturer reimbursement related to promotions with industry. Please note where these costs might differ by promotion type and / or recipient of payment—for example, sales staff SPIFFs vs. manufacturer reimbursement for a buydown. At a minimum, please provide hourly rates for staff who will support these promotions and the costs for any anticipated expenses.

## Schedule / Milestones

Milestone	Date
RFP release	September 8, 2014
Questions due	September 15, 2014
Responses to questions posted	September 17, 2014
RFP responses due to Efficiency Vermont	September 29, 2014
Selection review period ends	October 7, 2014
Selection and contract negotiations	October 8 – November 28, 2014
Performance period begins	January 1, 2015
Project close-out	December 31, 2017

## Proposal Requirements

Proposals must not exceed 25 pages of text, and must describe the Bidder's approach. Not included in the page limit are examples of prior work, corporate qualifications, proposed budgets and schedules, staff resumes, and other supporting materials. These may be submitted as appendices to the bids.

## Design and Maintenance of Electronic Database; Customized Reporting

Efficiency Vermont relies on the data the Contractor captures, tracks, and reports. Efficiency Vermont uses the data to claim energy savings under its performance-based appointment with the Vermont Public Service Board, and to manage program budgets.

The Contractor must describe how it will provide Efficiency Vermont with customized reporting:

- A. Detailed and summary reports and data files accompanying each invoice, tying payment requests to identified transactions. These reports will typically be generated twice per month for active programs.
- B. Detailed and summary reports depicting program activity by product type—for example, bulbs (with wattage and bulb type specified), clothes washers and refrigerators—by manufacturers and retailers, and by store location.
- C. Reports summarizing current period and year-to-date program activity (and, on occasion, program-to-date activity), by products and rebate dollars paid or committed.

The Contractor will electronically deliver billing reports through data files and reports in agreed-upon formats (typically .csv, .txt, .xls, or .dbf) via a secure file transfer protocol (SFTP).

## Online Platform, Tracking, and Reporting

The Contractor must describe how it will create and maintain an online platform for tracking, reporting, and communicating all support activities.

## Online Rebate Capabilities

The Contractor must describe how it will maintain online rebate application webpage for all current rebate offerings.

## Processing Payment

The Contractor must describe its process for processing payments. The Contractor should include review, validation, approval, and processing payment steps for all



incentive payment requests received through Retail ENERGY STAR Lighting Program and the Advanced Power Strip Program. This will consist of upstream incentives on CFLs, LEDs, and advanced power strips available to customers in retail stores and through the Contractor's online catalog (if applicable). The Contractor will receive shipping and sales invoices from manufacturers and retailers.

The Contractor must describe its process for reviewing, validating, approving, and processing downstream incentive payments for all rebate requests received through the ENERGY STAR Appliance Program and for the APS downstream incentives. The Contractor will receive completed mail-in rebate forms and associated documentation from customers for purchases of qualifying refrigerators, clothes washers, clothes dryers, dehumidifiers, pool pumps, and heat pump water heaters.

The Contractor must describe its process for making timely and accurate payments to customers, manufacturers, and retailers, and must work as efficiently as possible to ensure incentive checks are sent out on a timely basis. The Contractor will pre-fund incentive checks to customers, manufacturers, and retailers so that the pre-funded incentive checks will be sent out as soon as rebates are processed.

**A. Upstream Incentive Program Payments**

For the upstream incentive program, the Contractor must input all industry invoices and sales reports within a maximum of 5 days of receipt of accurate data, with an average processing time of 2 days. Payments for data that have been verified for accuracy upon receipt will be issued no later than within 21 days, and within 14 days on average. The Contractor will adjust the closing schedule as needed to allow for program closes every 16 to 20 business days, resulting in a 30-day cycle time for payments to retail and manufacturer partners. All time periods assume that manufacturer and retailer data adhere to the guidelines set forth in the most current MOU, to include current participating locations and incentive levels.

**B. Downstream Incentive Program Payments**

The Contractor will review and input "clean" downstream rebate applications within 7 business days of receipt, and twice a month will batch rebates for payment after they have been through manual and electronic quality control checks. Following this processing cycle, the Contractor will be required to mail almost all rebate checks to applicants between two and four weeks of receiving their rebate applications.

**C. Mail-in Rebates**

The Contractor should manage and discuss the following steps involved in processing customer mail-in rebate requests:

- 1) Customers mail their rebate requests to the Contractor.



- 2) If forms are completed correctly and all required information is supplied (for example, receipts), the Contractor will process.
- 3) If customers and products are confirmed as “eligible,” the Contractor will make payment at the close of the next reporting period.

### Other Proposal Requirements

- A proposed Work Plan for the conduct of the Program incorporating the services described above and detailing how each of the Program components in the Scope of Work section of this RFP will be addressed. Alternative approaches and tasks are acceptable, but the respondent should explain how the alternative approach will meet the objectives of the scope.
- Specification of all work (if any) to be subcontracted.
- Proposed pricing, estimated costs, and budget, as detailed in **Budget and Pricing**.
- The credentials and experience of the personnel who are expected to be assigned to the project and their specific project responsibilities. Please discuss your capability to adjust staff levels to handle varying Efficiency Vermont needs for your services. The level of implementation of negotiated cooperative and other promotions might vary significantly throughout the contract period.
- Statement of qualifications of the bidding firm and team members.
- Statement of qualifications of any proposed subcontractors and their assigned project personnel.
- A proposed project schedule for the contract period.
- A project organization chart.
- The contact information for at least three (3) references from clients for whom you have performed a similar set of professional services. Provide a contact name, e-mail address, and contact phone number.
- Any exceptions to the Efficiency Vermont standard contract terms (provided in this RFP as Attachment A).

### Protocols for Preparing and Delivering Responses to This RFP

Questions regarding the RFP will be accepted following the posting date until **5:00 p.m. EDT on September 15, 2014**. Questions will be accepted by e-mail only, to [ldrexel@veic.org](mailto:ldrexel@veic.org). Responses to all questions will be posted to the VEIC website at [www.VEIC.org/RFP](http://www.VEIC.org/RFP) no later than **5:00 p.m. EDT on September 17, 2014**.

Responses to this RFP must be delivered electronically to Efficiency Vermont by **5:00 p.m. EDT on September 29, 2014**. Responses submitted after 5:00 p.m. EDT on that

date will not be accepted. Responses must be submitted electronically via e-mail to: Laura Drexel at ldrexel@veic.org with "Incentive Fulfillment RFP" in the subject line.

## **Proposal Evaluation**

Proposals that meet proposal requirements as specified in this RFP will be reviewed by Efficiency Vermont staff. At Efficiency Vermont's discretion, Bidders may be asked to attend a face-to-face interview to address specific questions or clarifications. Bidders will be notified if they are asked to attend an interview.

Proposals will be evaluated on the following criteria:

1. Responsiveness to requirements of the RFP and the Scope of Work ( 50 points )
2. Familiarity with programs promoting energy efficiency: electrical, all fuels, and consulting services. ( 25 points )
3. Demonstrated experience and expertise in similar projects ( 10 points )
4. Competitiveness of the cost of services ( 10 points )
5. Whether the Bidder is a local / regional vendor ( 5 points )

**Efficiency Vermont reserves the right to evaluate proposals according to criteria not listed in this RFP.**

## **Contract Award**

Efficiency Vermont may award contracts to one or more firms. It may award a contract from initial applications without discussion, or following discussion or negotiations with one or more Bidders. Each proposal should be submitted with the most favorable cost and technical terms. Efficiency Vermont may request additional data or material prior to making a contract award. Efficiency Vermont will intend to negotiate contract terms with the most qualified vendor. If unsuccessful, Efficiency Vermont will then negotiate with the next most qualified vendor, until reaching satisfactory contractual arrangements. The successful firm will be required to develop a detailed scope of work with Efficiency Vermont. This scope of work will be contained in the Efficiency Vermont contract.

## **Limitation**

This solicitation does not commit Efficiency Vermont to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. VEIC reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the RFP if any of these actions is deemed by VEIC in its sole discretion to be in VEIC's best interest.



**Vermont  
Energy Investment  
Corporation**



## Information about VEIC and Efficiency Vermont

VEIC is dedicated to reducing the economic and environmental costs of energy use. It was founded in 1986, employs 320 professionals, and operates with an annual budget of \$80 million. VEIC is internationally recognized for advancing energy efficiency, transportation efficiency, biomass, and renewable energy plans and projects in 35 states, 6 Canadian provinces, and 6 countries in Europe and Asia.

VEIC is best known for continuously operating the nation's longest-running statewide energy efficiency utility, Efficiency Vermont. That program began in 2000. VEIC also operates utility-scale efficiency programs in the District of Columbia (DC Sustainable Energy Utility; 2011 - present), and in the Midwest with 26 utilities, as Efficiency Smart (American Municipal Power, 2011 - present). The organization's expertise in regulatory and business development assistance and in workforce development has led to its repeatedly meeting or exceeding its regulatory and contract goals in its three major program sites.

In addition to operating these utility programs, VEIC offers Consultative Services for advising on policy, designing sustainable energy programs, planning programs for utilities and regulators, evaluating energy savings claims, analyzing complex data sets, and providing deep technical and engineering assistance. It undertakes projects in energy efficiency and renewable / biomass energy; transportation efficiency and mobility research; community energy initiatives; and cost-effectiveness screening. VEIC has also been the contractor for the Vermont Energy Code Education, Outreach, and Training program.

Central to VEIC's work is its dedication to sustainable energy training, education, and community outreach. These services have helped VEIC win more than 70 local, regional, and national awards for excellence in service delivery. With qualified trainers and community organizing professionals on staff, and with continuous improvement protocols embedded in all of its key activity, VEIC is also a trusted resource for advancing a full spectrum of knowledge about sustainable energy.

For more information, see [www.encyvermont.com](http://www.encyvermont.com) and [www.veic.org](http://www.veic.org).

