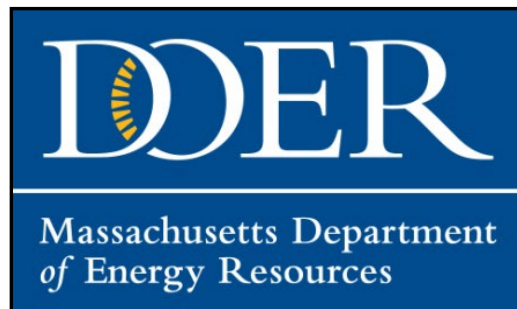


THE COMMONWEALTH OF MASSACHUSETTS
**EXECUTIVE OFFICE OF ENERGY AND
ENVIRONMENTAL AFFAIRS**
DEPARTMENT OF ENERGY RESOURCES
PATRICK C. WOODCOCK COMMISSIONER

100 Cambridge Street, 9th Floor
Boston, MA 02114



Program Opportunity Notice (PON)

**Document Title: *Low- and Moderate-Income
Housing Decarbonization Grant Program***

COMMBUYS Bid Number: BD-23-1041-ENE01-ENE01-84564
Agency Document Number: PON-ENE-2023-017

Issued December February 16th, 2023

Please Note: This is a single document associated with a complete Bid (also referred to as Solicitation) that can be found on www.COMMBUYS.com. All Bidders are responsible for reviewing and adhering to all information, forms and requirements for the entire Bid, which are all incorporated into the Bid. Bidders may also contact the COMMBUYS Helpdesk at COMMBUYS@state.ma.us or the COMMBUYS Helpline at 1-888-MA-STATE. The Helpline is staffed from 8:00 AM to 5:00 PM Monday through Friday Eastern Standard or Daylight time, as applicable, except on federal, state and Suffolk county holidays.

1. **BACKGROUND AND PURPOSE OF THE GRANT**

A. Massachusetts Department of Energy Resources

The Massachusetts Department of Energy Resources (DOER) develops and implements policies and programs aimed at ensuring the adequacy, security, diversity, and cost-effectiveness of the Commonwealth's energy supply to create a clean, affordable and resilient energy future for all residents, businesses, communities, and institutions.

B. Program Opportunity Notice, Funding Objectives, and Public Benefit

This Program Opportunity Notice (PON) is committed to providing grant funding for decarbonization retrofits of existing low- or moderate-income residential buildings. Projects must seek to implement energy efficiency measures and decarbonize heating, cooling, and/or hot water systems, as further provided below. Additionally, projects must demonstrate a long-term commitment to providing affordable housing to low- or moderate-income¹ residents, as further provided herein. The goal of this Low- and Moderate-Income Housing Decarbonization Grant Program (this Program) is to provide grants to projects that result in housing that:

- (i) is highly energy efficient;
- (ii) uses non-combustion clean heating, hot water and/or cooking technologies; and
- (iii) includes on-site renewable energy generating sources, when possible.

Anticipated public benefits that may be provided by this PON include:

- Clean energy investments in low- and moderate-income housing, including energy efficiency, fuel conversions, and on-site renewable energy generation,
- Health benefits for low- and moderate-income residents, including indoor air quality improvements and local air pollution reduction,
- Improved housing stock for low- or moderate-income residents, including through barrier mitigation that results in decarbonization of heating, cooling, and/or hot water systems,
- Protection of long-term affordable housing and/or limitations of undue rent increases resulting from improvements funded herein,
- Greenhouse gas reductions,
- Local workforce opportunities, and
- The potential for the project approach to be replicated and scaled in the future and in Massachusetts.

¹ For purposes of this PON, low income means no more than 60% of state median income and moderate income means 61%-99% of state median income.

The funding under this PON is from three different sources that have some specific requirements that are unique to the particular funding source. The source of any funding awarded under this PON will be determined by DOER, and an applicant may not receive funding under this PON if they do not meet the requirements of any such funding source(s) or the any applicable source of funding has been fully committed.

C. Funding and Awards

1. The maximum amount of funding for this Program is up to fifty million dollars (\$50,000,000). The budget for this Program may be increased or decreased at the sole discretion of DOER. Eligible projects shall be located within the Commonwealth with priority being given to eligible projects being located in Gateway Cities, as well as projects located in qualified census tract and municipalities with similar demographics, as further described and provided herein.
2. Funding is being provided from three sources which may limit the amount of funding that may be available for a particular project. The funding sources are:
 - A. Federal funding from the American Rescue Plan Act (ARPA) and allocated to DOER² in the amount of six million five hundred thousand dollars (\$6,500,000). Funding for this program and projects utilizing this funding will be limited to projects located in Gateway Cities, as well as qualified census tract(s) and municipalities³. Funding from ARPA must be fully expended no later than June 30, 2027.
 - B. DOER Funding from Alternative Compliance Payments (ACP) providing twenty-five million dollars (\$25,000,000) of such funding for this program⁴. This funding is available to any eligible project statewide as long as they are customers of electric Investor- Owned Utilities (IOU's).
 - C. The remaining eighteen million five hundred thousand dollars (\$18,500,000) is from the Massachusetts Department of Environmental Protection Climate Protection and Mitigation Trust and will be available for any eligible project in any

² Chapter 102 of the Acts of 2021, An Act Relative to Immediate Covid-19 Recovery Needs, item 1599-2035. See <https://malegislature.gov/Laws/SessionLaws/Acts/2021/Chapter102>

³ A “Gateway City is “a municipality with a population greater than 35,000 and less than 250,000 with a median household income below the commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the commonwealth's average.” M.G.L.c. 23A s.3A. The following municipalities are Gateway Cities: Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.

⁴ This funding is from Alternative Compliance Payment (“ACP”) associated with the Renewable Portfolio Standard Class I (225 CMR 14.08 (3)(d)) and shall be used for eligible projects located in municipalities that are located in electric investor-owned utilities (IOU) territories
See also <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter25A/Section11F>

municipality statewide Funding under this source must be fully expended no later than June 30,2027.

Grant funding shall be utilized for:

- a. energy efficiency including building envelope improvements and other measures resulting in electric load reduction, peak demand reduction, and demand management.
- b. electrification (e.g. air or ground source heat pumps for space heating, air source heat pumps for water heating, induction cooking equipment).
- c. On-site renewable energy generation technologies (i.e., solar pv).
- d. the removal or mitigation of barriers (e.g., roof repairs, electrical upgrades, knob and tube remediation, and vermiculite and asbestos removal) that result in installation of energy efficiency, electrification, and/or on-site renewable energy generation technologies.
 1. Grant funding shall not be used for fossil fuel equipment.
 2. Projects must leverage funding available under applicable energy efficiency or clean energy programs, such as Mass Save[®], Solar Massachusetts Renewable Target (SMART), Alternative Portfolio Standard (APS), and low-income housing tax credits. Grant funds awarded must supplement, not supplant, applicable funding, including matching funds, available under Mass Save[®] or other energy efficiency or clean energy programs, including, but not limited to, funding under Solar Massachusetts Renewable Target or Alternative Portfolio Standard.
 3. DOER expects applicants' requests to be for grant funds of not less than two hundred and forty thousand dollars (\$240,000) in most cases.
 4. Award guidelines are as follows:⁵
 - a. If the unit is within a building with six (6) or more units, the maximum grant funding is forty thousand dollars (\$40,000) per unit
 - b. If the unit is within a building with five (5) or less units, the maximum grant funding is fifty thousand dollars (\$50,000) per unit
 - c. DOER reserves the right to award amounts higher or lower than what is stated in this section, or to decide not to award any funding to an applicant. DOER will consider other applicable, available funding when determining award amounts.

D. Additional Requirements

1. The DOER is seeking projects that fully decarbonize the heating, cooling, cooking and/or hot water system(s) being retrofitted and include onsite renewable energy generation where possible, or that demonstrate commitment to full decarbonization over time. Further, if a project involves replacing fossil heating equipment, the proposed new equipment must not

⁵ DOER reserves the right to award amounts higher or lower than what is stated in this section, or to decide not to award any funding to an applicant.

- utilize on-site fossil fuel. If a project involves replacing hot water equipment, the proposed new equipment must not utilize on-site fossil fuel.
2. ARPA-funded projects must include ten (10) or more units. Units may be in more than one building. Examples of qualifying projects include, but are not limited to: one building with ten (10) units, two buildings with five units each, five buildings with two units each, or three buildings, one with five units, one with two units, and one with three units. Projects must include energy efficiency and decarbonization of the heating, cooling, cooking and hot water systems and include on-site renewable energy generation, when possible.
 3. Applicants who are seeking funding of one million dollars (\$1,000,000) or more must commit to providing opportunities for the local workforce. Such opportunities may include, but are not limited to, the utilization/hiring of local subcontractors, vendors or individuals; partnerships with or providing funding to local educational institutions or community programs for energy efficiency or clean energy workforce training programs; and the training of local residents or businesses to conduct the work included in the application.
 4. Projects must include low and/or moderate units. Any contract with an awardee under this PON will include provisions to ensure that the retrofitted housing is affordable for low and/or moderate-income residents for at least three years following project completion and limitations of undue rent increases resulting from improvements funded by this PON which an applicant will be required to report on to DOER.

2. **ELIGIBILITY**

To be considered for a grant, proposed projects must satisfy all of the eligibility requirements in this section:

- a. Eligible Applicant.
 - i. An applicant can be a private party, non-profit, municipality or other public entity.
 - ii. To be eligible for a grant, the applicant must, at the time of application submission, be in compliance with all the laws and regulations of the Commonwealth of Massachusetts.
- b. Ineligible Applicant. A grant applicant is considered ineligible if its owner(s) have been convicted of violating any state or federal; civil or criminal law in the past three (3) years.
- c. Commonwealth Terms and Conditions Contract and Standard Contract Form. At the time of award, an authorized signatory of a grantee must execute the Commonwealth Terms and Conditions and Standard Contract Forms issued by the Office of the Comptroller for Grants awarded under 815 CMR 2.00. Grant applicants should carefully review the requirements of these forms prior to submitting a proposal for consideration. The Standard Contract Form and attachments will also identify the amount, duration and scope of the Grant, and applicable fiscal or programmatic reporting requirements for documenting grant expenditures or performance including the grantee's return of funds to the DOER, if the DOER determines that any expenditures were not in accordance with these requirements.

3. **GRANT AND CONTACT INFORMATION**

A. **Grant Calendar**

Applications will be accepted on a rolling basis. Batches of proposals will be evaluated at six-month intervals, with applications received by 5 PM EST on June 1, 2023 evaluated first. Subsequent evaluations will apply to applications received by December 1, 2023, June 1, 2024, December 1, 2024, June 1, 2025, December 1, 2025, June 1, 2026, December 1, 2026 and June 1, 2027. Applicants will be selected for funding until funding is exhausted⁶

Procurement Milestone	Due Date
Issue PON on COMMBUYS	February 16, 2023
Questions and Answers*	Ongoing during this program. DOER will respond to questions with the following schedule: DOER will respond to questions received on or before 5:00 PM EST May 1, 2023 on May 18, 2023. After that, DOER will respond to questions received at least 14 days prior to a submission deadline no later than 7 days prior the deadline.
PON Response Submission Start Date	Applications submissions will be accepted and evaluated on a rolling basis with applications received by 5 PM EST on June 1, 2023 evaluated first.
Applicants notified of selection**	Grants will be reviewed and awarded within 1 month of application due dates.
Contract(s) negotiated**	Within 2 months after notification to applicant, but no sooner than July 1, 2023.

*Potential applicants are encouraged to submit written questions in accordance with Section 3.C. below**
Dates after PON Response Submission Deadline are *anticipated* dates and all dates are subject to change.

B. **Type of Grant**

This PON is being conducted pursuant to 815 CMR 2.00 and has been distributed electronically using COMMBUYS, which is the Commonwealth's official procurement record system (<http://www.commbuys.com>).

⁶ The DOER reserves the right to close this solicitation at any time and increase or decrease the budget

The project name is **Low and Moderate Income Decarbonization Grant Program**, and the project number is **PON-ENE-2023-017**. Correspondence to the DOER should include this project number as well as the project name. All notifications and amendments to this PON will be posted on COMMBUYS. It is the responsibility of every respondent to check COMMBUYS for any addenda or modifications to a PON to which they intend to respond. The Commonwealth of Massachusetts and its subdivisions accept no liability and will provide no accommodations to respondents who fail to check for amended PONs or submit inadequate or incorrect responses.

Respondents may not alter PON language or any PON component files. Respondents submitting a proposal must respond in accordance to the PON directions and complete only those sections that prompt a respondent for a response. Modifications to the body of this PON, specifications, terms and conditions, or which change the intent of this PON are prohibited. Any unauthorized alterations will disqualify a response.

All proposals and information submitted in response to this PON are subject to the Commonwealth of Massachusetts Public Records Law, Mass. Gen. Law, ch. 66, §10, and ch. 4, §7 and Subsection 26. Any statements in submitted responses that are inconsistent with these statutes shall be disregarded.

C. Questions and Answers

1. Written Questions via the Bid Q&A on COMMBUYS

The “Bid Q&A” provides the opportunity for bidders (Bidders) to ask written questions and receive written answers from the Strategic Sourcing Team (“SST”) regarding this bid. All Bidders’ questions must be submitted through the Bid Q&A, found on COMMBUYS (see below for instructions).

It is the Bidder’s responsibility to verify the SST’s receipt of questions.

Please note that any questions submitted to the SST using any other medium (including those that are sent by mail, fax, email, or voicemail, etc.) will not be answered. To reduce the number of redundant or duplicate questions, Bidders are asked to review all questions previously submitted to determine whether the Bidder’s question has already been posted.

Bidders are responsible for entering content suitable for public viewing since all of the questions are accessible to the public. Bidders must not include any information that could be considered personal, security sensitive, inflammatory, incorrect, collusive, or otherwise objectionable, including information about the Bidder’s company or other companies. The SST reserves the right to edit or delete any submitted questions that raise any of these issues or that are not in the best interest of the Commonwealth of Massachusetts or this bid.

All answers are final when posted. Any subsequent revisions to previously provided answers will be dated. It is the responsibility of the Bidder and awarded Contractor to maintain an active registration in COMMBUYS and to keep current the email address of the Bidder’s contact person and contract manager, if awarded a contract, and to monitor that email inbox for communications

from the Purchasing Department, including requests for clarification. The Purchasing Department and the Commonwealth of Massachusetts assume no responsibility if a Bidder's/prospective Contractor designates an email address that is not current, or if technical problems, including those with the Bidder's/prospective Contractor's computer, network, or internet service provider cause email communications sent to/from the Bidder/prospective Contractor and the Purchasing Department to be lost or rejected by any means including email or spam filtering.

2. Locating the Bid Q&A

Log into COMMBUYS, locate the bid, acknowledge receipt of the bid, and scroll down to the bottom of the bid header page. The "Bid Q&A" button allows Bidders access to the Bid Q&A page.

3. Amendment Deadline

The SST reserves the right to make amendments to the bid after initial publication. It is each Bidder's responsibility to check COMMBUYS for any amendments, addenda, or modifications to this bid, and any Bid Q&A records related to this bid. The SST and the Commonwealth of Massachusetts accepts no responsibility and will provide no accommodation to Bidders who submit a quote based on an out-of-date bid or on information received from a source other than COMMBUYS.

All questions must be submitted to the DOER, through COMMBUYS. All questions and answers will be posted periodically on COMMBUYS. The Bidder's conference information will be posted on the same webpage.

D. No Guarantee of Resulting Contract

The Commonwealth of Massachusetts makes no assurance that any contract will result from this PON.

E. Contact Information

Responses to this PON will be received by:

Grant Contact:	Dan Sardo Department of Energy Resources 100 Cambridge Street, 9 th Floor Boston, MA. 02114
Telephone:	(617) 626-7342
E-mail:	dan.sardo@mass.gov
PON Name:	Low- and Moderate-Income Housing Decarbonization Grant Program
PON File Number:	PON-ENE-2023-017

4. **SUBMISSION OF RESPONSE**

A. Submission Instructions

Respondents to PON-ENE-2023-017 must respond via COMMBUYS and shall also submit an electronic submission in PDF and Excel format to dan.sardo@mass.gov using the subject line “PON-ENE-2023-017 Response – *Company name*”. Late proposals will not be accepted. Faxed proposals will not be accepted. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the application should state the name of the Bidder, and the page number. All correspondence and filings submitted to the DOER shall be directed to the Grant Contact at the postal address set forth in Section E Contact Information.

Responses that do not include all of the information outlined in the **Response Package Contents** section below may be disqualified. The DOER may ask applicants to provide additional information or to participate in an interview.

Applicants submitting multiple proposals must submit each proposal separately. Once the award is made, all submissions are subject to Public Record disclosure.

B. Application Contents

All responses must include the Application Requirements listed below. Appendices may be included as indicated.

Application Requirements (No more than 20 pages. Non-narrative or graphical elements may be referenced in the text included in an Appendix, and do not count toward the page limit):

1. Applicant Qualifications and Experience

- Specify the applicant team and roles. List the lead applicant and any partner organization(s), including key individuals that are part of the project team, and describe the role of each organization and key individual.
- Resumes for individual team members must be attached in an appendix but do not count toward the page limit.
- An organizational chart may be included as an appendix but does not count toward page limit.
- Discuss the applicant’s previous relevant experience with successful implementation of similar projects.
- Discuss the applicant team’s commitment to diversity and inclusion, such as holding a certification pursuant to the Commonwealth of Massachusetts’ Supplier Diversity Office⁷ or partnerships with such businesses, establishment

⁷ Businesses may be certified by either the MA Supplier Diversity Office or a third party as specified here. <https://www.mass.gov/certification-program-for-sdo>

of a company-wide equity and inclusion policy, or other actions or policies that demonstrate the applicant's commitment to diversity and inclusion. An applicant's commitments are expected to be scaled to the amount of grant funds requested in this PON.

2. Project Details

For each project for which funding is requested, provide the following information. If a project includes multiple buildings, the requested information must be provided for each building. The requested information may be provided in a narrative, chart, combination of narrative and chart, or another format.

- Building owner name and address
- Square footage, the number of units broken down by income category (e.g., 60% or less of state median income, 61-80% of state median income, 81-99% of state median income) and number of bedrooms per unit, and project type (e.g., existing building retrofit, adaptive reuse)
- Describe the technologies or strategies utilized, including building envelope improvements, other energy efficiency components, electrification components, on-site renewable energy generation technology components, and/or any barrier mitigation strategies. Explain how funding requested is being utilized to improve, expand, or support energy efficiency, electrification, and/or on-site renewable energy generation. If grant funds are requested for any barrier mitigation strategy, explain how implementation of the strategy will result in electric energy reduction, demand reduction, electrification, and/or on-site renewable energy technology. Barrier mitigation measures may include but not be limited to electrical upgrades, roof repair, asbestos remediation, and knob and tube remediation. If on-site renewable energy (solar photovoltaics) is not being proposed, explain why. With respect to projects that are not seeking ARPA funding and will result in buildings that will still use fossil fuel for heating, cooling, hot water, or cooking, provide a plan to fully decarbonize over time.
- Describe the baseline (without requested funding) and proposed mix of electricity and heating fuels for an average unit in the building. If possible, provide quantitative information in native fuel units
- State the expected air infiltration level of the building envelope based on building design.
- Describe energy costs, including costs for building residents and common area costs as applicable. If relevant, discuss energy costs both with and without requested funding

3. Project Benefits

Discuss proposed project's impact in terms of benefits to the public, including:

- Local workforce opportunities including, but not limited to, the utilization/hiring of subcontractors, vendors, or individuals; partnerships with or providing funding to local educational institutions or community programs for energy efficiency or clean energy workforce training programs; and the training of local residents or businesses to conduct the work included in the proposal
- The project's long-term commitment, for no less than three years, to provide affordable housing and/or limitations of undue rent increases following improvements to low and/or moderate-income residents, including number of units broken down by income category and number of bedrooms
- The potential for the project approach to be replicated by the applicant or others and likely scale of application in the Commonwealth of Massachusetts
- Other benefits to the community and/or neighborhood, if applicable
- Letters of support from may be included. Such letters will not count toward the page limit

4. Project Management Plan

- Provide a Gantt chart or equivalent visual depiction of the program and program schedule, including key program milestones and deliverables. This can be included as an appendix and does not count towards page count
- Include a discussion of the key risks to program success and meeting the program schedule, and how such risks will be mitigated

5. Project Budget

- Provide the project budget, including soft and hard costs (including costs for energy efficiency, electrification, renewable energy technology, and/or removal or mitigation of barriers to such technology)
- For each cost category, show funds leveraged (such as matching funds, private financing, Mass Save[®] incentives, incentives under the Solar Massachusetts Renewable Target or Alternative Portfolio Standard, tax credits) and funds requested under this PON
- The budget can be provided as a spreadsheet in Microsoft Excel, which does not count toward the page limit

EVALUATION AND AWARD

A. Process

All applications will be evaluated based on the components of the response package outlined in Section 4, above. The DOER reserves the right to reject an applicant if the application does not meet a sufficient standard based on the evaluation criteria. The SST reserves the right to waive any technical defect or informality in applications received or to allow the applicant to correct them, and to accept or reject any application or portion thereof. The SST reserves the right to seek additional information from any and all applicants including but not limited to requests for clarifications and interviews (online or by phone). All applications are subject to meeting the requirements of the applicable funding source(s) and the availability of funds in such funding source(s).

B. Award and Contract Execution

All applicants will be notified in writing of the DOER's award decision. The Commonwealth of Massachusetts reserves the right to reject any requested changes identified by the applicant if not previously agreed upon during the response review process. If an acceptable contract cannot be reached with any applicant regarding a selected project within thirty (30) days of the written funding notification, the DOER may withdraw its selection of the project.

C. Evaluation Criteria

All applications received by the due date and meeting the requirements established in this PON will be reviewed and evaluated in accordance with, but not limited to, the criteria set forth in the table below. Applicants must receive at least half of the possible points for each application section to receive an award under the PON. Following the scoring of Applicants according to this evaluation criteria, the DOER will make final selection of Applicants awarded PON funding. Such final selection may consider geographic diversity and diversity of building type or project.

Application Section	Evaluation Criteria
Applicant Qualifications and Experience	<ul style="list-style-type: none"> • Qualifications of Applicant team and partners, including previous relevant experience and demonstrated track record of successfully performing similar work • Extent of the Applicant's commitment to diversity and inclusion
Project Details	<ul style="list-style-type: none"> • Extent to which the project will decarbonize heating, cooling, hot water systems, and cooking • Extent to which the project will reduce greenhouse gas emissions • Extent to which the project maximizes the energy efficiency of the building envelope, including the expected air infiltration level to be achieved

	<ul style="list-style-type: none"> • Extent to which the project will reduce energy costs, including for building occupants.
Project Benefits	<p>Extent to which the project provides benefit, including in terms of:</p> <ul style="list-style-type: none"> • Local workforce opportunities • The number of low- or moderate-income units and commitment to provide housing that is affordable for low and/or moderate income residents (for at least 3 years) following project completion and/or limitations of undue rent increases following improvements to low and/or moderate-income residents, including # of units by income category • The potential for the project approach to be replicated and likely scale of application in the Commonwealth of Massachusetts. • Other community and/or neighborhood benefits
Project Management Plan	<ul style="list-style-type: none"> • Thoroughness and reasonableness of project management plan • Reasonableness of the overall project plan schedule and time to implement
Project Budget	<ul style="list-style-type: none"> • Reasonableness of funding being requested • Grant fund request relative to total project cost • Extent to which the budget leverages other available funding

6. TERMS AND CONDITIONS

A. Reporting

Reporting requirements will be detailed upon grant award and contract execution. Awardee shall provide any and all information required by DOER, in its sole discretion.

B. Contract Deliverables

A complete list of contract deliverables and performance dates will be included in the grant award and contract executed between the DOER and the applicant. Contract deliverables may include, but not be limited to, the following:

1. Chart of project timeline and milestones.
2. All invoices and supporting documentation.
3. Regular reporting to the DOER for the duration of the project.
4. Reporting of tenants' rents to the DOER for at least three years following project completion.