

# **State of Ohio's Energy Gateway Fund**

**Request for Proposals**  
February 10, 2010

**Responses are due on**  
February 24, 2010



February 10, 2010

## State of Ohio Request for Proposals

- Regarding the Newly Created -

# Ohio Energy Gateway Fund

The State of Ohio, through the Ohio Department of Development (“Development”) in cooperation with the Ohio Air Quality Development Authority (“OAQDA,” and together with Development, the “State”), is issuing this Request for Proposals (“RFP”) and is seeking responses from professional fund managers to assist in initiating and developing Ohio’s newly created Ohio Energy Gateway Fund, a “Fund of Funds” revolving investment program dedicated to Ohio’s advanced energy sector. The State is seeking responses from organizations committed to providing meaningful, quality services to Ohio’s Energy Gateway Fund, which is designed to create new jobs and investments in Ohio by providing an attractive source of equity and debt capital for new business growth and expansions while generating continuous returns for public and private investors.

The State will make available \$40,000,000 (the “Ohio Energy Gateway Funds”) to one or more investment managers (the “Investment Managers”) who will be selected by the State based upon several factors, including:

- 1) Past experience and performance in managing similar advanced energy sector investment funds;
- 2) Ability to leverage additional private investment funds that will match the Ohio Energy Gateway Funds;
- 3) Knowledge of Ohio’s growing advanced energy industry;
- 4) Commitment to making Ohio a leader in the energy industry;
- 5) Ability to deploy capital to projects which will maximize job creation and will create advanced energy foundational job growth; and,
- 6) Commitment to provide a return on capital to the State for its initial Ohio Energy Gateway Fund investment.

We ask that all prospective Investment Managers respond to this RFP according to the instructions provided in Section B, below, and provide succinct responses to information outlined in Section C, below. All responses to the Request for Proposals should be submitted on or before 4pm, Eastern Standard Time, on February 24, 2010 (further delivery instructions are provided below) to:

Ohio Department of Development  
Ohio Energy Resources Division  
Attention: Ohio Energy Gateway Fund Request for Proposals  
77 South High Street, 26<sup>th</sup> Floor  
P.O. Box 1001  
Columbus, Ohio 43216-1001

Applicants are also required to register a summary (no more than one page in length) of their response to the Ohio Energy Gateway Fund RFP on the <http://recovery.ohio.gov/opportunities/state/> website by no later than the close of business on February 19, 2010. On the Recovery.Ohio website, click on “**Submit your Proposal**” in the “**How to Apply**” box. When filling out the “**Project Information**” section of the form, choose the Federal Stimulus Program category “**Energy and Environment**” and the sub-program “**State Energy Program.**”

Questions regarding this RFP should be sent by e-mail to: [OEGF@Development.ohio.gov](mailto:OEGF@Development.ohio.gov).

We thank you for your interest.

Sincerely,

Lisa Patt-McDaniel, Director  
Ohio Department of Development

# Table of Contents

**Section A – Introduction**

- I. Overview
- II. Background
- III. Request for Proposal - Objectives
- IV. Program Structure and Fees
- V. Process Due Dates
- VI. Communication and Inquiries
- VII. Response Format and Term
- VIII. Confidentiality and Trade Secrets
- IX. Glossary of Definitions

**Section B – General Instructions**

- I. Cover Sheet Instructions
- II. Executive Summary
- III. Response Narrative Outline and Instructions
- IV. Staff Competencies and Professional Skills
- V. Key Performance Measures
- VI. Report Preparation and Budget

**Section C – Required Application Information**

- I. Cover Sheet
- II. Executive Summary
- III. Response Narrative
- IV. Authorizations, Warrants and Certifications
- V. Attachments

**Section D – Selection Criteria for Investment Manager**

- I. Response Review Process
- II. Evaluation Criteria

**Section E – Attachments**

# Summary of Request for Proposal

## Section A – Introduction

### I. Overview

The State of Ohio will contribute \$40 million to the newly created “Ohio Energy Gateway Fund.” The State will award these funds to one or more professional investment managers who will be responsible for privately investing these funds (the “Energy Funds”), coupled with its own funds into advanced energy projects in Ohio.

The sources of the Energy Funds are the State Energy Program grant made by the U.S. Department of Energy to Development under the authority of the American Recovery and Reinvestment Act of 2009, and the advanced energy funds administered by OAQDA under the Ohio Bipartisan Job Stimulus Act of 2008. The Energy Funds will be awarded to Investment Manager(s) for a 10-year period. A minimum preferred return, plus return of the initial investment, and returns based on overall performance of the Energy Gateway Fund will be expected. All funds returned to the State will be redeployed back to successful Investment Manager(s), thus creating a significant revolving investment “Fund of Funds” program in our state. Upon selection of Investment Manager(s) by the State, the State will appoint counsel to negotiate an agreement (the “Investment Agreement”) that will outline the conditions for drawing funds, requirements for investing the funds, and timing benchmarks for implementing the program. In addition, the Agreement will set forth other administrative and reporting responsibilities. Additional transaction documents may be necessary. This RFP does not detail all the issues that shall be required of the selected Investment Manager(s).

The primary mission of the Ohio Energy Gateway Fund (the “Fund”) will be to create foundational jobs, leverage private capital, and create growth in the primary and supplier network within Ohio’s advanced energy sector. The State anticipates deployment of the Energy Funds by March 29, 2010, and expects the Fund to build upon the State’s industrial strengths to help Ohio become a leader in the advanced energy sector.

#### Ohio Energy Gateway Fund Goals

- Create and retain jobs in Ohio associated with the advanced energy industry
- Match public funds, with private capital to finance this expanding industry
- Re-tool existing manufacturing operations to create an advanced energy manufacturing supply chain
- Build domestic sources of advanced energy technologies
- Expand production in emerging energy companies
- Facilitate improvements that yield energy efficiency
- Expand advanced energy power production

### II. Background

Today’s tight credit markets impede the many benefits that could be realized through the commercialization of advanced energy technologies and deployment of capital into advanced energy projects and companies. Publicly-backed investments into advanced energy companies and projects are intended to spur progress towards the above stated goals.

Ohio has developed the Fund to improve access to capital for advanced energy projects and companies in Ohio. The State anticipates that the \$40 million of available Energy Funds will serve as match-funding to leverage private capital raised by the selected Investment Manager(s). The Fund will combine components of historically successful revolving loan programs managed by state agencies with the structures of successful private capital funds to create an on-going revolving investment fund managed by one or more private Investment Managers.

### **Ohio Energy Gateway Fund Administrative Structure**

- The State will designate representatives of the Ohio Department of Development (“Development”) and the Ohio Air Quality Development Authority (“OAQDA”) or their designees to act in cooperation as the Program Manager. The Program Manager will be responsible for administration of the \$40 million: \$30 million from Federal ARRA funds and \$10 million from the Ohio Bipartisan Jobs Stimulus funds.
- The Ohio Bipartisan Jobs Stimulus funds must be used in accordance with Chapter 166 of the Ohio Revised Code requirements. The Ohio Bipartisan Jobs Stimulus funds can be used only for the purpose of loans on fixed assets. Federal funds must be used in accordance with Federal ARRA compliance and reporting requirements. All funds are subject to either Ohio state prevailing wage or Davis-Bacon guidelines if construction is involved.
- The Program Manager intends to retain the services of a Program Advisor. The Program Advisor’s responsibilities will include compliance oversight of all federal and state reporting requirements applicable to the Energy Funds, representation on the Investment Committee (as defined below) in a non-voting capacity, compliance of the Investment Manager(s) with the terms of the Investment Agreement, allocation and tracking of funds, economic development, regulatory assistance, and project auditing. The Program Advisor will assist the Program Manager in the overall implementation and administration of the Fund’s responsibilities.
- Development and OAQDA will form an Evaluation Committee to review responses to this RFP and select Investment Manager(s). Similar to other programs, like the Ohio Third Frontier, the review process will call upon the knowledge and experience of independent third-party experts. The Evaluation Committee will be comprised of representatives of the State, USA Energy Advisors and Robert W. Baird & Co., which have also been retained by the State to assist in the development and implementation of the Fund.
- The Evaluation Committee, based upon information presented in this RFP, will select Investment Manager(s). The Investment Manager(s) will evaluate and select investments, fund projects or companies, monitor, and create returns on investments. Preference will be given to Investment Manager(s) who partner or team with Ohio-based funds and provide training, strategic management, networking, and mentoring opportunities to Ohio-based funds with the goal of increasing the knowledge and experience of those fund managers in the advanced energy sector.
- Each Investment Manager selected will be required to form an Investment Committee in order to evaluate and select future advanced energy investments. The Program Manager will be represented on this committee by the Program Advisor in a non-voting capacity.
- Each Investment Manager selected is expected to create a separate or segregated energy fund into which the Energy Funds will be deposited and leveraged with the

Investment Manager's private funds dedicated to the Ohio program. The public and private funds will reside in separate escrow accounts under a single escrow agreement to be negotiated between the State and the Investment Manager(s). Each investment selected by the Investment Manager(s) will need validation of the availability of private funds before public funds can be allocated. The State will entertain other fund formation concepts as long as other concepts can provide clear reporting and return on investment data as required.

### III. Request for Proposal - Objectives

The RFP objective is to assist the State of Ohio in identifying eligible applicants capable of:

- Accelerating Ohio's long-term prosperity by focusing and leveraging public and private resources to promote job creation, innovation and self sufficiency.
- Evaluating companies and projects in the advanced energy sector for opportunities to significantly contribute to Ohio job creation and generate returns for public and private investors.
- Making public and private funds available for advanced energy projects that are ready for or near commercialization. It is essential that these funds significantly leverage the investment from other private and public sources.
- Establishing the Fund that can generate returns on public and private funds, and can return these earnings and investments for redeployment into future projects so there is no requirement for additional request of taxpayer funds.
- Stimulating significant growth in Ohio based jobs and driving the Ohio based advanced energy technology.
- Returning the maximum amount of capital to the State for redeployment while providing satisfactory return on investment for private investors.
- Encouraging Investment Manager(s) to partner or team with Ohio-based investment funds of under \$50 million, for the purpose of mentoring and developing energy sector expertise within such a fund.

### IV. Program Structure and Fees

Preferred consideration will be given to prospective Investment Manager(s) who are able to exceed the minimums set for leverage of public funds, Investment Model returns, and timing and number of investments. Each responding Investment Manager is expected to clearly represent how they will meet or exceed these minimums as well as stating other fees:

- **Leverage** – The amount awarded to each Investment Manager must be matched at a minimum of 1:1 with private funds provided by or through the selected Investment Manager(s). Investment Manager(s) who are able to exceed the 1:1 ratio will be given preferred consideration. The Energy Funds will be awarded to Investment Manager(s) for a 10-year period.

- **Repayment or return of Ohio Energy Gateway Funds to the State** – Investment Manager(s) should provide an Investment Model that includes the following:
  - i. A preferred return of 5% - 10% to the State from the cash flows of the investment portfolio
  - ii. A return of initial invested capital from investment portfolio cash flows
  - iii. Any additional investment return to the State from the portfolio cash flows
- **Administrative Fees** - Applicants should propose an appropriate administrative fee each year for the first five years.
- **Limited Recourse** - The State will have limited recourse to the Investment Manager for funds awarded. Recourse will be to cash flows from the investment portfolio.
- **Number of Transactions** - The State expects that no fewer than twelve (12) first-round investments will be made by all Investment Managers into Ohio-based advanced energy projects with the \$40 million available in the Fund.
- **Timing of Investments** – Each Investment Manager selected must commit 40% of all public funds under its management to an Ohio-based investment portfolio within twelve (12) months from commencement of the Fund award to the Investment Manager. The remaining 60% must be invested no later than April 30, 2012 in accordance with program requirements to be specified in the Investment Agreement.
- **Return on Investment** – Commencement of return on investment to the State is encouraged within three (3) years from the award of the original investment.

## V. Process Due Dates

### Calendar of Events:

February 10, 2010  
 February 19, 2010  
 February 24, 2010  
 March 3, 2010  
  
 March 17, 2010  
 March 29, 2010

State issues Request for Proposals.  
 Project summaries due to [Recovery.ohio.gov](http://Recovery.ohio.gov)  
 Proposals due to State by 4pm, EST.  
 Notification will be made to all applicants. If necessary, interviews will be scheduled with Investment Managers.  
 Selection of Investment Manager(s).  
 Agreement Entered and Funds Deployed.

## VI. Communication and Inquiries

A copy of this RFP and any subsequent amendments will be made available on the State of Ohio website at <http://www.development.ohio.gov/OhioEnergyGatewayFund/>. To receive a printed copy of this RFP, send an email to [OEGF@Development.ohio.gov](mailto:OEGF@Development.ohio.gov).

Since applicants will be reviewed on a competitive basis, no extension to the submission date will be granted. Any request for an interpretation of a requirement for this RFP must be submitted in writing via U.S. Mail, e-mail or fax (see below). E-mail is preferred. E-mail questions to

[OEGF@Development.ohio.gov](mailto:OEGF@Development.ohio.gov). Use "Ohio Energy Gateway Fund Q&A" in the subject line of the e-mail. Fax questions to 614-466-1864. (Development accepts no responsibility for faxes or e-mails that are not delivered). The Questions and Answers will be made available on the State of Ohio website.

Prior to the RFP submission deadline, verbal communication regarding the RFP between the State, including any representative of Development or OAQDA, the Program Manager, the Program Advisors, and RW Baird, and prospective applicants is prohibited. The deadline for submitting questions is February 17, 2010. The State reserves the right to clarify or shorten questions when deemed appropriate and helpful.

#### **VII. Response Format and Term**

The applicant must submit two (2) CDs, one (1) hard-copy original and eight (8) hard copies of its response. Each proposal will be date- and time-stamped upon receipt. No faxed or e-mailed responses will be accepted. The response narrative shall be on 8-1/2" by 11" sized paper, and single-spaced with Times New Roman font of not less than 12 pt.

All responses to the Request for Proposals should be submitted on or before 4pm, Eastern Standard Time, on February 24, 2010 to:

Ohio Department of Development  
Ohio Energy Resources Division  
Attention: Ohio Energy Gateway Fund Request for Proposals  
77 South High Street, 26<sup>th</sup> Floor  
P.O. Box 1001  
Columbus, Ohio 43216-1001

Responses shall be for the provision of services for the period beginning upon award for a minimum term of ten (10) years. At the discretion of the State and upon consideration of performance and other evaluation criteria, the successful applicant contract may be renewed for an additional term.

#### **VIII. Confidentiality and Trade Secrets**

WITH THE EXCEPTION OF FINANCIAL INFORMATION, APPLICANTS ARE STRONGLY DISCOURAGED FROM INCLUDING ANY INFORMATION THAT THEY BELIEVE IS CONFIDENTIAL OR QUALIFIES AS A TRADE SECRET IN THE PROPOSAL.

With respect to any trade secret information included in the proposal, the applicant must:

- Identify each and every occurrence of the information within the proposal with an asterisk before and after each line containing Trade Secret Information and underline the Trade Secret Information itself.
- Include a page that lists each page in the proposal that includes Trade Secret Information and the number of occurrences of Trade Secret Information on that page.

To determine what qualifies as trade secret, please refer to the definition in the Ohio Revised Code Section 1333.61(D), which provides:

**(D)** “Trade secret” means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that satisfies both of the following:

**(1)** It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

**(2)** It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## **IX. Glossary of Definitions**

Defines the terminology used throughout this Request for Proposals

1. **Program Manager** – Organization made up of representatives of the Ohio Department of Development and the Ohio Air Quality Development Authority or their designees. The Program Manager, through contractual relationship with the Program Advisor, will be responsible for satisfying: Federal and State reporting requirements, providing representation on the Investment Committee in a non-voting capacity, contractual compliance of the Investment Manager, allocation and tracking of funds, economic development, regulatory assistance and project auditing.
2. **Program Advisor** – Organization selected by the State of Ohio that will contractually represent the Program Manager in its fulfillment of contractual obligations to the State.
3. **Investment Manager** – Organization that will be selected by the State to manage the Ohio Energy Gateway Fund in accordance with all requirements set forth in RFP and final contract with the State.
4. **Energy Gateway Fund** – A fund established for a purpose of making investments in Ohio based advanced energy projects and companies, with the stipulation that repayments to the fund will be revolved into additional investments.
5. **Advanced Energy** – Commercially viable projects as specified in the Ohio Revised Code (ORC) 3706.25. Although applicants should review precise definitions in the statute, the following are general eligibility guides but are not intended to be exclusive.
  - a. Increased efficiency in electricity generation without additional carbon dioxide emissions;
  - b. Distributed generation commonly referred to as combined heat and power;
  - c. Advanced nuclear energy technology of generation III or later;
  - d. Fuel cells;
  - e. Advanced solid waste or construction and demolition debris conversion technologies resulting in measurable greenhouse gas emissions reductions;

- f. Renewable energy resources including energy derived from sources including solar, wind, hydroelectric, geothermal, certain fuels derived from solid wastes not derived principally derived from combustion, certain byproducts of the pulping or wood manufacturing process and storage facilities that promote better utilization of a renewable energy resource; and,
  - g. Any technologies, products, activities or management practices or strategies that reduce or support the reduction of energy consumption or support the production of clean renewable energy.
6. **Investment Committee** – A committee formed by the Investment Manager. This Investment Committee will have the authority to make decisions pertaining to investment of funds as related to the Ohio Energy Gateway Fund. The Program Manager will be represented by the Program Advisor on the Investment Committee in a non-voting capacity.
7. **Job Creation** – Net new permanent full-time positions created as a result of fund investments. Any project or company receiving an investment from the Investment Manager will have a job creation component attached to the investment.
8. **ARRA** – American Recovery and Reinvestment Act of 2009.

## **Section B – General Instructions**

The following outlines the sections to be included in the proposal.

### **I. Cover Sheet Instructions**

The cover sheet format is provided at the beginning of Section C.

### **II. Executive Summary**

The summary should cover the key points of your proposal and shall be no more than three pages in length.

### **III. Response Narrative Outline and Instructions**

The response narrative should cover all of the categories listed below:

#### **A. Background and Capabilities**

- a. History/background of organization
- b. Organization's advanced energy investment history

#### **B. Structure**

- a. Description of organization structure
- b. Organizational Chart
- c. Number of employees, professionals and staff

#### **C. Management**

- a. Bios of Board of Directors/Officers/Key Personnel
- b. Committee Structure(s)
  1. Name and purpose of committee(s)
  2. Selection process for committee members
- c. Advisory Board, if applicable
  1. Describe the composition and intent of advisory board
  2. Explain policies followed by advisory board as related to investments

#### **D. Outreach and Marketing**

- a. List all collaborations and network partners
- b. Examples of marketing materials
- c. Website
- d. Plan for use of Colleges/Interns
- e. Workforce development plan
- f. Partnerships and/or Affiliations
  1. Major Corporations
  2. Government
  3. Non-Profit associations
- g. Describe how the organization will identify and market to targeted investment opportunities

#### **E. Ohio Presence and Description**

- a. Explain past and current presence in Ohio, including investments in Ohio-based projects and companies, if applicable.
- b. Without disclosure of confidential information, provide descriptions of pending Ohio-based deal flow or potential for attracting new businesses to Ohio that could be

applicable to the Ohio Energy Gateway Fund. During final negotiation stage disclosure of deal flow with specificity will be required.

- c. Please describe Investment Manager's presence in Ohio. Preference will be given for Ohio-based representation.
- d. Describe existing or potential partnerships with Ohio based universities, institutions, and major corporations.
- e. If applicable, itemize Ohio-based co-investment opportunities from previous five years.

#### **F. Investment Management**

- a. Explain your organization's investment strategy.
- b. The suggested preferred return to the State is 10% of the Original Investment. Propose a preferred additional return or ROI schedule.
- c. Describe the role of the Investment Manager's investment or credit committee and names and resumes of committee members.
- d. Provide an Excel document with a historical analysis of investments, include:
  1. After tax cash flows by investment with returns included
  2. Actual LP cash flows for prior investments
  3. Itemization of any Ohio-based and/or advanced energy sector investments
- e. Method for valuation of potential investments.
- f. Method for calculating Return on Investment (ROI).

#### **H. Availability of Leveraged Capital**

- a. Describe your plan and commitments for availability of private funding.
- b. Specify the amounts of leverage you will commit and the timeframe with specific dates for raising such funds.
- c. Provide examples of total funds committed and capital invested over the previous five (5) years; itemize advanced energy sector funds.

#### **I. Business Analysis**

- a. Provide a competitive analysis, including your peer group if applicable, for the managed funds most closely associated with your existing advanced energy investments.
- b. Provide annual audited financials for previous three years and quarterly reports for previous four quarters of the fund(s) described in part I (a).

#### **J. Investment Portfolio**

- a. Previous deal flow for last two years as related to fund(s) described in I (a).
- b. Active deal flow currently in process without providing confidential information. (Disclosure of relevant deal flow will be required prior to final award)
- c. Please include the following information for fund(s) as described in part I (a):
  1. Current (and previous CEOs if applicable)
  2. All investors of greater than 10% of fund
  3. All portfolio companies
- d. Co-investments:
  1. Provide co-investment opportunities that you have provided to your LPs
  2. Provide LP investment performance as related to the rest of your portfolio
  3. Provide current co-investment opportunities

#### **K. Services**

Describe the proposed organizational strategy and specialized services you will provide and describe how they will add value to potential investments. Provide a budget and list of expected

resources that will be allocated to provide these services. Include, if applicable, projections of fund performance for the next five (5) years as well as fundraising strategy for private investors.

If offices will be located in Ohio, provide location(s) and role(s) of these offices including staffing requirements.

#### **IV. Staff Competencies and Professional Skills**

Please submit a resume for each staff person listed on the Key Personnel Chart (see Section E for Key Personnel Chart).

##### **Conflict of Interest Forms**

Each applicant must submit a signed Conflict of Interest form. See Section C for Conflict of Interest form. Responses that do not include signed Conflict of Interest form will be deemed incomplete and will not be evaluated.

#### **V. Key Performance Measures**

Please describe and provide examples of key performance measures that will be used. Responses that do not include performance targets for each of the categories listed will be deemed incomplete and will not be evaluated.

#### **VI. Report Preparation and Budget**

For the purpose of this RFP the applicant must complete a budget, including expected fees and expenses, for the next three (3) years. On a going forward basis, Quarterly Programmatic Reports will be required for federal funds as specified by ARRA compliance requirements and Annual Reports will be required for state funds in accordance with state specified reporting requirements regarding all investments as related to the Energy Gateway Fund. Selected Investment Managers will be required to comply with all the reporting required from time to time by the State and the U.S Department of Energy for funds provided through the American Recovery and Reinvestment Act.

##### **Quarterly Programmatic Reports**

Within 5 days of the close of each calendar quarter, the selected Investment Manager will be required to provide the Program Manager quarterly, internally generated reports for each quarter of the term of the agreement beginning with the first full quarter after award of funds for all federal funds. Failure to meet reporting deadlines may result in reduction or termination of future funding. The reports shall be submitted according to criteria established by the Program Manager. The report shall contain, but is not limited to the following items: narrative explanation of key project accomplishments, jobs created, findings and recommendations, and number of projects and companies that were provided funding.

##### **Annual Programmatic Reports**

A narrative summary of activities and economic indicators (statistical data) for all state funds shall be submitted thirty (30) days following the end of the State of Ohio fiscal year. This report is to include but is not limited to the following items: a fiscal year-end reconciliation for funds deployed, as well as all matching funds expended in performance of the Investment Agreement, job creation numbers, wage information and location for all investments. Annual financial reports will be required within 90 days of the State of Ohio fiscal year end.

## Section C – Required Application Information

### I. Cover Sheet

Legal Name of Organization  
Address  
City, State, Zip Code  
Telephone Number  
Federal Tax I.D. Number

Primary Contact Name  
Telephone Number  
Cell Phone number  
Fax Number  
E-Mail Address

Secondary Contact Name  
Telephone Number  
Cell Phone Number  
Fax Number  
E-Mail Address

### II. Executive Summary

The Executive Summary should summarize the key points of your proposal and should not exceed two pages in length.

### III. Response Narrative

Include all sections discussed in Part III, IV, V and VI of Section B, (no length restrictions).

### IV. Authorizations, Warrants and Certifications

Complete the Key Personnel Worksheet and Conflict of Interest Agreement.

### V. Attachments

Include all attachments as requested (no length restrictions).

## **Conflict of Interest Policy**

A policy should be provided by the applicant in accordance with industry standards.

## **Section D – Selection Criteria for Investment Manager**

### **I. Response Review Process**

1. The State will designate an Evaluation Committee made up of representatives of the State, USA Energy Advisors and Robert W. Baird & Co., who will review and evaluate all responses. Based upon such evaluations, the Evaluation Committee will select applicants for interviews, if necessary; each response will be subject to an administrative review to determine compliance with the basic requirements of this RFP. Responses missing required information will not be reviewed.
2. If necessary, presentations to the Evaluation Committee will be scheduled with all viable applicants.
3. Based on the RFP evaluations, presentations, requested supplemental data and such other factors as the State may deem relevant to the decision, the State will select one or more applicants to serve as the Investment Manager(s). The State shall take into account the evaluations made by the Evaluation Committee, but may exercise its independent judgment in making its selection.
4. The State will then appoint counsel to negotiate an acceptable Investment Agreement with the Investment Manager.

The decisions of the State of Ohio shall be final.

### **II. Evaluation Criteria**

Investing in the advanced energy sector may have risks not associated with more established industries. When dealing with new or emerging technologies, commercialization risks increase. To invest in this sector, a significant amount of regulatory experience as well as commercialization and energy investing experience is required. Therefore, the State will evaluate Investment Managers based upon the following criteria:

1. How well does the applicant's experience, knowledge, skills and track record fit with the requirements for successful execution of the Ohio Energy Gateway Fund? The State will also consider how well the applicant's experience, knowledge, skills and track record fit with their unique approach to executing the Investment Manager role, as reflected in the proposal. Applicants that do not submit sufficient detail to enable the State to make informed judgments regarding skills, experience, and track record can expect to receive lower assessment ratings.
2. How well does the proposal meet the Ohio Energy Gateway Fund objectives and minimum structure and fees, including, but not limited to increasing the amount of investment capital available to Ohio-based business enterprises, the level of deal flow, the Investment Model used as specified in Section IV, fee proposal, as well as the number and diversity of Ohio-based investment professionals committed to investing in Ohio-based business enterprises.
3. How strong is the specific proposal? In determining this, the State may consider factors such as the originality of the proposal, the completeness of the proposal, and whether the proposal

identifies and addresses primary challenges to the successful implementation of the Ohio Energy Gateway Fund.

4. Are the financial projections and budget consistent with the proposal and do they demonstrate that the applicant has a comprehensive understanding of the program goals? Does the budget indicate that the applicant will devote sufficient resources to the Ohio Energy Gateway Fund to hire individuals and implement systems of sufficient number and quality to successfully perform the duties of Investment Manager?
5. Has the applicant demonstrated the ability and provided an acceptable timeframe to significantly leverage public funds with a minimum of a 1:1 match.

**In addition, the applicant must provide evidence that it is:**

6. In compliance with USA Patriot Act disclosure.
7. In compliance with ERISA disclosures for private pension-based investors.
8. Not involved in any pending litigation, if litigation is pending provide a brief explanation.
9. In good standing with SEC and the State of Ohio, Department of Taxation.
10. For all Principals of the Investment Manager, including Managing Partners and Investment Committee members: no felony convictions, bankruptcy, indictments or investigations by a public agency for a violation of a state or federal statutes.

## Section E – Attachments

Each of the following required exhibits must be included and identified in the proposal:

1. Completed Key Personnel Worksheet
2. Resumes for Key Personnel
3. Roster of Advisory Board Members: Roster of current Advisory Board members with phone numbers, fax numbers, email addresses and organizational affiliations
4. Agreements, documents or explanations (if referenced in the proposal)
5. Operations and Budget Attachments
6. Past Annual Reports
7. Successful Project Examples

### Attachment 1 Key Personnel Worksheet

---

Organization Name: \_\_\_\_\_

#### Personnel

#### Background and Expertise of Personnel and Planned Duties

1.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Proposed Role/Function)

2.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Proposed Role/Function)

3.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Proposed Role/Function)

4.

\_\_\_\_\_

(Name)

\_\_\_\_\_

(Title)

\_\_\_\_\_

(Proposed Role/Function)

5.

\_\_\_\_\_

(Name)

\_\_\_\_\_

(Title)

\_\_\_\_\_

(Proposed Role/Function)

## Attachment 2 Program Structure

---

