

MCEC RFP: Investment Banking, Underwriting and Advisory Services related to the Climate Catalytic Capital (C3) Fund



Questions and Answers – March 12, 2024

1. Reference: RFP Section 1.6 – Submission Deadline

Question: “In reference to point 1.6 regarding the Submission Deadline, can we submit the proposal electronically in PDF format via email with confirmation of receipt?”

Answer: As specified in Section 1.6 of the RFP, Proposals must be submitted electronically, and MCEC also requests that respondents to the RFP provide five (5) printed copies, via mail or hand delivery, to Attn: Procurement Officer, Maryland Clean Energy Center; 5000 College Avenue, Suite 31010, College Park, MD 20740.

2. Reference: RFP Section 4 – Proposal Requirements

Question: “The RFP does not specify the number of CVs required. Could you please clarify this requirement?”

Answer: A CV should be submitted for all personnel the vendor intends to involve in the service of this account, as described in the RFP.

3. Reference: RFP – General

Question: “Are consortiums or joint ventures eligible to submit a proposal for this RFP?”

Answer: Yes.

4. Reference: RFP Section 4 – Proposal Requirements

Question: “To best align our proposal with project expectations, is there a tentative budget allocated for this RFP? Any information you can share would be helpful?”

Answer: The statute allows for no more than 5% of the funds to be used for administrative costs.

5. Reference: RFP – General

Question: “Are international firms like auctusESG Pvt. Ltd. eligible to submit a proposal, or is this RFP limited to national firms?”

Answer: Eligible firms must be registered to do business within the State, be in good standing, and have Federal Tax ID numbers. Herewith is the link you can use to register your business in MD [https://dat.maryland.gov/businesses/Pages/Non-Maryland-\(Foreign\)-Business-Entities.aspx](https://dat.maryland.gov/businesses/Pages/Non-Maryland-(Foreign)-Business-Entities.aspx)

6. Reference: RFP – General

Question: “How often do you expect Offer personnel to be in MCEC and/or the C3 Fund’s offices?”

Answer: As mutually deemed necessary by the vendor and client. We anticipate more time in meetings initially but hold most in a virtual format.

7. Reference: RFP – General

Question: “Does the C3 Fund have organizational documents, if yes, can you share them?”

Answer: Please see link to [Investment and Eligibility Criteria](#)

8. Reference: RFP – General

Question: “Does the C3 Fund have existing investment parameters or limitations, such as:

- a) No investment can be more than \$x
- b) No investment can be less than \$x
- c) Diversification parameters
- d) Sector/asset limitation
- e) Etc.?”

Answer: The Investment Oversight Committee has not set limits on investments at this time and will look for guidance from the financial advisor on this subject.

9. Reference: RFP – General

Question: “If MCEC receives GGRF funds as a subrecipient, will they commit to allocating a portion of these funds to the C3 Fund? If yes, what % or dollar amount are they committing?”

Answer: MCEC has not yet determined how funds obtained via GGRF will flow through the C3 Fund. The amount will largely depend on the scope and types of project/ investment proposals received through the application process, and how GGRF grant and or investment capital could be appropriately leveraged.

10. Reference: RFP – General

Question: “What does MCEC or the IOC project the C3 fund capitalization to be at the following dates?”

- a. May 17, 2024
- b. December 31, 2024
- c. December 31, 2025
- d. December 31, 2026
- e. December 31, 2027

Answer: This is not something MCEC can estimate at this time, beyond the \$5.0 million annual allocation from the State over the current 3-year period as adopted per the Climate Solutions Now Act.

11. Reference: RFP – General

Question: “Do you anticipate the C3 Fund to raise debt funds as part of its capitalization in the bank or capital markets?”

Answer: Both.

12. Reference: RFP Section 1.1 – Introduction

Question: “With respect to the following from Section 1.1 on page 3 of the RFP “is seeking proposals from firms interested in providing investment banking, underwriting and advisory services to enable successful investment and management of the Climate Catalytic Capital (C3) Fund (the “Fund”) operated as a subsidiary entity of MCEC” do you expect the offeror to provide the following services?”

- a. Underwriting and bond placement services for debt issued by MCEC or the C3 Fund
- b. Underwriting and bond placement services for companies or projects the C3

Answer: MCEC expects the focus of the services to be directed to the activities of the C3 Fund.

13. Reference: RFP Section 1.1 – *Introduction*

Question: “Will advisory services be needed for the creation of the Maryland Green Bond program, and if yes, will these advisory services be sought in a separate RFP?”

Answer: MCEC is asking the respondent to demonstrate their ability and willingness to perform in an advisory capacity for this task. If that would not be part of the offering included in the response, please so note.

14. Reference: RFP Section 1.1 – *Introduction*

Question: “With respect to the following bullet point from Section 1.1 on page 4 of the RFP “• Forty percent of the funds must be used to assist low-income households and communities in the state to access decarbonization solutions and strategies”, what ESG framework is MCEC envisioning to inform these measures?”

Answer: In regard to qualifying, IOC and MCEC are referring to the definitions of Low-Income Household per the CSNA statute and the communities designated in the state and federal environmental mapping tools.

ESG impact metrics defined in the statute will be considered as part of determining the investments to be made through the C3 Fund, and respondents can refer to the investment proposal application (link) for more specific details.

Respondents are asked to identify a specific ESG reporting framework/platform as part of the contract for services.

15. Reference: RFP Section 1.1 – *Introduction*

Question: “With respect to the following bullet point from Section 1.1 on page 4 of the RFP ‘• Not more than 5% of the fund balance may be used for administrative purposes’, how is the fund balance calculated?”

Answer: The fund is capitalized annually with an appropriation of \$5M through FY27. As the fund grows and interest/ fees are earned the IOC may choose to invest some of that revenue to support fund management. Earnings beyond the state investment will be calculated at the end of a fiscal year for budget planning and investment in the subsequent fiscal year.

16. Reference: RFP Section 1.1 – *Introduction*

Question: “With respect to the following bullet point from Section 1.1 on page 4 of the RFP ‘• Not more than 5% of the fund balance may be used for administrative purposes’, is this determined on an annual basis? For example, if on January 1, 2025 the fund balance is \$5mm, would the 5% for 2025 admin fee cap be calculated on that \$5mm? Then, if on January 1, 2026 the fund balance is \$10mm, would the 5% for 2026 admin fee cap be calculated on that \$10mm?”

Answer: The answer to this question will be based on direction from the IOC, with guidance from the financial advisor and MCEC staff.

17. Reference: RFP Section 3.2 – *Required Services*

Question: “One of the required deliverables is listed as ‘Develop financial models and perform financial analyses to assess the viability and potential returns of investments by the C3 Fund’ are you expecting a) A C3 Fund level model, b) Individual project level models or c) both a and b?”

Answer: Both a. and b.

18. Reference: RFP – *General*

Question: “With respect to the following bullet point from Section 3.2 on page 10 of the RFP ‘• Assess the creditworthiness and risk profile of potential investments within the C3 Fund’, how many investments does MCEC and/or the IOC expect the C3 fund to look at in the following time frames?”

- a. May 17, 2024 – May 16, 2025
- b. May 17, 2025 – May 16, 2026
- c. May 17, 2026 – May 16, 2027

Answer: It will be helpful if respondents would set a NTE fee for initial reviews. Reviews could be multi-phased. MCEC estimates that project volume could be between 10-30 projects and proposals per period to be reviewed.

19. Reference: RFP Section 3.2 – *Required Services*

Question: “With respect to the following bullet point from Section 3.2 on page 10 of the RFP ‘•Assist with the negotiation, documentation, and execution of investment transactions on behalf of MCEC’, does MCEC expect the offer to draft loan documents, intercreditor agreements, waivers, etc.? If not, what does MCEC expect the deliverables to be?”

Answer: MCEC is looking for the respondent to provide guidance and expertise in regard to the language needed for the draft loan documents, intercreditor agreements, waivers, etc.

MCEC will involve the Office of the Attorney General to assist with drafting contracts and related documentation, however, we are seeking a respondent with the capability to provide template models of documentation that will more rapidly enable transactions to be approved and executed.

20. Reference: RFP Section 4.2– *Price Proposal*

Question: “With respect to the following from Section 4.2.1 on page 12 of the RFP ‘Delineate all costs anticipated to be associated with this assignment. The rates will include all expenses’, does MCEC expect travel expenses to be included in the price proposal? If yes, are travel expenses subject to the 5% admin expense cap or are they additive?”

Answer: The respondent should propose what they anticipate a realistic budget should be for travel expenses associated with successful delivery of the services proposed.

21. Reference: RFP – *General*

Question: “Is offeror being paid from MCEC or the C3 fund?”

Answer: Vendor will be paid by MCEC.

22. Reference: RFP Section 4.2– *Price Proposal*

Question: “If the offeror utilizes the Retainer option in 4.2.1 on page 12, can it be a % of the fund balance, or does it need to be quoted in dollars?”

Answer: Since the fund balance will vary over time, the respondent should quote a retainer in dollars for a given time period of a fiscal year.

23. Reference: RFP Section 1.3 – *Schedule of Events*

Question: “Since the answer to these questions are needed to help shape a response to the RFP, will MCEC consider giving a week extension to the Proposal Due Date?”

Answer: The date for responses is fixed. MCEC intends to work with respondents and recommend a vendor to be approved by the IOC and under contract in mid- May to allow for their involvement in reviewing the investment proposal applications received with the desire to make initial awards in June.