



ELEVATE

Equity through climate action

Fee Proposal: Community Climate Action Residential Rebate Administrator

RFP #23-48

SEPTEMBER 2ND, 2023



Elevate Fee Proposal

Our fee proposal is based on processing approximately 2,500 rebates per year through the Residential Rebate Program with a combination of Elevate and Michigan Energy Options staff. We believe this is a reasonable scale to start the program, with dedicated staff and a balance of fixed costs of development and management with variable costs of processing rebates. We have the ability to ramp up to meet demand, with our combined team, but the time and expenses to serve beyond 2,500 rebates would be in excess of the budget we are presenting here. It is important to note that scaling up to meet demand would only increase the line item for rebate Processing Support. These variable cost estimates are built on assumptions of the expected mix of acceptable rebates and those that will require follow-up with applicants to get all the necessary requirements to accept their application. Costs may vary depending on the participant’s needs.

The fees include costs for the startup phase and implementation across the first 3 years of the program. This fee proposal is inclusive of all the services requested by OSI in the RFP, with considerations for scaling down some administrative systems, simplifying website, and focusing marketing on events, contractor and retailer engagement, and utilizing the City’s existing marketing channels to keep costs at or below \$200K per year. We are committed to a partnership that aligns the desired scope and scale the City wants to see, with a focus on decreasing the cost per rebate through process improvement. We are also committed to identifying other sources of funding, such as federal or state grants, that could help further fund the program at a reasonable scale. There are nearly 50,000 households in the City of Ann Arbor, so providing 2,500 rebates per year is roughly equivalent to serving 5% of the potential market per year.

Budget

Budget		Year 1	Year 2	Year 3	Total
	Startup				
	Program Planning	\$ 65,000			\$ 65,000
	CRM Development	\$ 12,500			\$ 12,500
	Website and Creative Design	\$ 5,000			\$ 5,000
	Startup Total	\$ 82,500	\$ -	\$ -	\$ 82,500
	Implementation				
	Administration and Reporting	\$ 30,000	\$ 45,000	\$ 45,000	\$120,000
	Marketing, Promotion, and Technology Manangement	\$ 27,500	\$ 55,000	\$ 55,000	\$137,500
	Rebate Processing and Support	\$ 60,000	\$100,000	\$100,000	\$260,000
	Implementation Total	\$117,500	\$200,000	\$200,000	\$517,500
	Total Budget	\$200,000	\$200,000	\$200,000	\$600,000

Rates

Elevate and MEO's rates are included below. Overhead and fringe rates are a percentage of the total bill rate. MEO is our subcontractor, and can provide overhead factors if needed.

Elevate Rates		Name	Year 1 Rate	Year 2 Rate	Year 3 Rate
Vice President, Strategy	Henry Love		\$ 225.00	\$ 236.00	\$ 248.00
Associate Director, Community Programs	Elizabeth Wallace		\$ 155.00	\$ 163.00	\$ 171.00
Senior Program Manager, Community Programs	Jamie Simmons		\$ 135.00	\$ 142.00	\$ 149.00
Program Manager, Community Programs	TBD		\$ 120.00	\$ 126.00	\$ 132.00
Senior Art Director	Alexander Helbach		\$ 190.00	\$ 200.00	\$ 210.00
Senior Associate, Graphic Design	Barry Harmon		\$ 110.00	\$ 116.00	\$ 122.00
Fringe					
			13%	13%	13%
Overhead					
			32%	32%	32%
Subcontractor Rates					
MEO Executive Director	John Kinch		\$ 150	\$ 158	\$ 166
MEO Assistant Director	Michael Larson		\$ 125	\$ 131	\$ 137
MEO Sr. Program Manager	Brandon Kawalec		\$ 100	\$ 106	\$ 112
MEO Program Manager	Angela Marez		\$ 75	\$ 79	\$ 83
MEO Program Coordinator	Lauren Chapman		\$ 65	\$ 68	\$ 71

Assumptions on Service Mix

To arrive at our budget, we estimated a mix of services that constitute the variable expenses in the budget, specifically Rebate Processing and Support. We expect that efficiency will increase and we will have more predictive data on the expected mix of services.

Service Benchmarks	Hours	Frequency	Rate	Occurrences	Per Workday
Application Processing	0.25	100%	Program Support	2500	10.99
Customer Support	0.75	30%	Program Support	750	3.30
Rebate Printing/Stuffing/Mailing	0.06	100%	Program Manager	2500	10.99

