

2022-2024 RESIDENTIAL ENERGY EFFICIENCY SERVICES- HRCP2021-RFP01

SCOPE OF WORK

OVERVIEW

Vendor Information	
Organization Name:	Energy Resource Center
Contact Person:	Charles Sanchez
Physical Address:	953 Decatur Street
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Contract Term: January 1, 2022 to December 31, 2024

Contract Amount: \$1,050,000.00

Project/Program/Work Narrative: (Two to three paragraphs of what agreement is for)

- 1. Work Narrative/Scope:** Over the next three-year grant cycle, Energy Resource Center (ERC) plans to conduct weatherization services in the form of comprehensive energy audits and home energy improvements to an estimated 240 Denver area residences per year (720 over the life of the grant) from January 2022 through December 2024. This will lower energy consumption and energy costs for low-income families within the Denver community. The Agency for Human Rights and Community Partnerships funding will leverage existing Colorado Affordable Residential Energy Program funding (CARE) and Weatherization Assistance Program funds (WAP) in the Denver Metro area.

During this grant cycle ERC will utilize these dollars to expand outreach and communication with diverse populations within the City and County of Denver. We will extend our wraparound health and safety services approach to create a more impactful and wholistic service for our clients. One of ERC's goals is to eradicate energy waste for groups of people who are disproportionately affected and who might not otherwise be able to realize the benefit of weatherization savings or renewable energies. ERC is focused on including diverse and low-income populations in the conversation and investments in green equity measures.

The overall benefit in this approach is a savings of 25% or more in energy consumption for residents on their utility bills over a 20-year period (or longer) and is at zero cost to these residents. These savings then convert to real dollars that can be used on other life essentials, all while having a positive impact on the environment in the way of carbon emissions savings as well. This contributes to the Denver City and County long-term plans for carbon reduction and environmental sustainability.

2. Home Energy Efficiency Improvement Measures

- a. Air Leakage Reduction
- b. Building Shell Insulation
 - i. Attic to R-49 or greater
 - ii. Wall to Dense Packed R-13 or greater
 - iii. Sub Space Floor to R-19 or greater
- c. LED Lighting Upgrades
- d. Pipe and Duct Insulation
 - i. R-5.6 on sub space water lines
 - ii. R-11 on sub space and attic duct runs
- e. High efficiency furnace replacements
- f. Energy Star Rated refrigerator replacement
- g. Beneficial electrification
 - i. Rooftop Photovoltaic renewable energy array
 - ii. Utilization of solar gardens for renewable energy credits on homes that aren't good candidates for rooftop PV installations
 - iii. Heat pump technology for heating systems and water heating
- h. Health and safety measures
 - i. Smoke alarms
 - ii. Carbon detectors
 - iii. Plumbing and electrical repairs associated with efficiency measures
 - iv. Indoor air quality improvements

v. Domestic Water Heater (DWH) replacements

Payment Schedule:

ERC will provide the D-ONE executed invoice in the required format and expected detail, and include all of the supporting documentation required. D-ONE shall pay ERC on a Net 30 pay scale for services rendered and costs incurred under the agreement set forth in the budget. Amounts billed shall not exceed the budget of \$350,000 per year (\$1,050,000 over the life of the grant) as set forth in grant. D-ONE is not obligated to execute any additional amendments beyond the aforementioned amendment above, and all services performed by ERC beyond the agreement are at ERC's own risk.

Invoices must be submitted for payment no later the 15th of every month, for the prior month's billing.

All annual expenses must be billed no later than January 15th of the following year.

Location of Services

Physical Address: ERC, 953 Decatur Street, Denver, CO 80204

Neighborhood(s) Served (See map: <https://www.denvergov.org/maps/map/neighborhoods>):

Council District Served (See map: <https://www.denvergov.org/maps/map/councildistricts>):

OR

Check if Citywide

Program Description: (Narrative mission, vision, history, description of what the funds aim to achieve)

Energy Resource Center's (ERC) mission is to improve home energy efficiency, conserve energy, promote health, increase comfort and expand quality of life for **every** Coloradan. ERC is

focused on eliminating energy waste in Colorado's low-income housing stock and we have been advancing this mission to Colorado low-income households since 1979. ERC has a 40+ year track record of providing quality and professional energy savings services and is well known in the Colorado residential energy efficiency field. ERC currently has four offices (Alamosa, Colorado Springs, Denver and Loveland) and is a Weatherization Assistance Program (WAP) provider in 27 of Colorado's 64 counties. ERC has been a WAP provider in the Denver Metro area since 2014. Currently, ERC collaborates with multiple entities to fulfill our mission and deliver our services to qualifying residents. Some of ERC's partners include the U.S. Department of Energy (DOE) and the Colorado Energy Office (CEO) which provide the Weatherization Assistance Program (WAP), Energy Outreach Colorado (EOC) which provides Colorado Affordable Residential Energy (CARE) and the Colorado Department of Human Services (DHS) which provides the low-income Energy Assistance Program (LIHEAP) funding that pays for the Crises Intervention Program (CIP). In Denver, ERC also partners with GRID Alternatives (GRID), Groundwork Denver, The NextFifty Initiative, The Denver Foundation, Colorado Housing and Finance Authority (CHFA), local governments and utility providers who help fund energy efficiency programs throughout our service area.

ERC delivers services to Denver residents through three primary programs: WAP, CARE and CIP. The CIP program is a heating emergency program run by DHS and administered by Energy Outreach Colorado (EOC). ERC provides no-cost heating system repair and replacements for LEAP qualifying customers that are paid through Federal and State LIHEAP funding. The WAP program (Funded by the State of Colorado Energy Office with a per unit average of \$9,247) allows ERC to provide comprehensive weatherization services to households at or below 200% of the Federal Poverty Limit (FPL). The CARE program household eligibility marker is 80% of Area Median Income (AMI) and is funded by Energy Outreach Colorado and Xcel Energy's low-income demand side management rebates (at an average cost with all health and safety measures of a PUA of \$4,200). Both of these programs provide extensive in-depth site-specific energy audits, energy modeling and prioritization of cost-effective energy measures. ERC also repairs or replaces all combustion appliances that have health and safety issues per DOE or local guidelines, whichever are more stringent. ERC performs all measures for both programs following the DOE Standard Work Specification guideline and have all jobs inspected by a Building Performance Institute (BPI) certified Quality Assurance (QA) Inspector. Ten percent of all WAP funded jobs have a Colorado State QA inspection for quality and subsequent guideline regulation. Measured services include air sealing, attic, wall and subspace insulation, refrigerator replacements, lighting upgrades, water conservation measures, heating replacements, heat pump domestic water heater and furnace upgrades, photovoltaic (PV) solar installations, attic re-wiring, electrical panel upgrade for PV systems and more.

Over ERC's 40+ years of delivering energy solutions for Colorado low-income residents, ERC has consistently met or exceeded the DOE and the CEO's budgetary performance expectations and goals and has successfully created partnerships that leverage dollars and stretch ERC's budget. This year it is anticipated that D-ONE funding will be leveraged against more than \$11.2 million dollars in federal, state, local and private funding that will serve more than 1,700 households across our service territory. Specifically, D-ONE funding will leverage dollars against \$2.714 million (this is two thirds of the 4,071,760.21 ERC Metro Office budget, roughly 1/3 goes to Jefferson County) which will serve approximately 240 homes in the City and County of Denver in ERC's 2021-2022 fiscal year.

Program Services: (Program specifics (be detailed here. Include target population, location and demographic service area, detailed schedule)

Metro Denver and surrounding areas are experiencing increasingly high rental and home purchase prices in all neighborhoods. ERC is poised to maximize energy efficiency savings which will financially impact those at or below 200% of the Federal Poverty Level. ERC recognizes that more than 28,000 residents in Denver County are financially eligible for WAP services and that many are paying more than 14% of their monthly income on utility-based payments. Financially stable residents are only paying out 3 to 4% of their monthly income on the same expenses. Therefore, ERC will focus on all Denver area zip codes that typically have schools in low-income focal points as defined by Denver Public Schools (DPS) or have housing that is 40+ years old and are typically high energy users. Homes in these areas are not likely to have ever been upgraded with energy efficiency measures. In addition, ERC focuses on the over age 65 population, people with disabilities and households with children under age five. ERC is continuously working on plans to engage diverse populations in the Denver area.

Plan to increase services to more diverse populations

The coronavirus has focused attention on the racial, social, economic and medical disparities and inequities across the country and has contributed to an increased need for ERC services in Colorado. It is widely documented that low-income people are likely to experience energy poverty, live in the most compromised housing stock in a community, are people of color and may require need for additional social support services and financial assistance.

Serving qualifying low-income clients from all backgrounds and circumstances without discrimination has always been ERC's policy and practice. ERC engages in targeted neighborhood outreach efforts and is developing relationships with trusted partners and community organizers from within these neighborhoods with the most need in Denver County.

ERC is actively recruiting board members from historically under-represented, diverse populations in order to better reflect the communities we serve.

ERC received funds from the NextFifty Initiative recently specifically to build capacity to serve Metro Denver residents age 50 and older.

ERC is committed to participating in Supplemental Environmental Projects (SEP) which often reflect extreme examples of racial inequity, whenever possible. In years past, ERC has been a part of neighborhood revitalization efforts utilizing SEP grants in the Globeville, Elyria-Swansea districts and recently we engaged in Commerce City and Jefferson County actions.

A Rocky Mountain Institute, 8/20 article, states: “Low-income residents... pay a higher percentage of their income on energy costs than higher-income residents. And the very lowest income bands, which have higher energy burdens, are disproportionately Black. Thus, weatherization through programs like WAP improves racial and income equity... and can also improve health equity... can help counteract the impact of the variety of factors that have contributed to racial and economic inequities such as residential segregation, economic burdens and extreme weather and climate impacts due to substandard housing.”

Plan to increase LEAP eligibility

ERC Denver refers prospects and clients to LEAP for utility bill payment assistance on a regular basis if they are not already receiving these benefits. ERC will include LEAP information that is complementary to our services on our social media, in e-newsletters and on our website. ERC would also be happy to facilitate a meeting with Ms. Theresa Kullen, LIHEAP Manager, Energy Assistance Division, Colorado Department of Human Services, Denver One and other interested parties to discuss ideas regarding increasing Denver resident participation in the LEAP program, should this be of interest.

Program Goals/Outcomes: (Please detail your evaluation plan)

Total Dollars Approved	Total number of households to be served	Total number of households to be audited	Total number of households: Energy Efficiency Upgraded	2022 average estimated D-ONE cost per household with both WAP and CARE combined
1,050,000	720	720	720	\$1,459

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Total Estimated Energy Savings: KWh over the life of the grant	Total Estimated Energy Savings: Therms over the life of the grant	Total Estimated Annual Dollars Savings per Household \$1/therm, \$.11 /KWh	Total Funds Leveraged for 2022 (Denver Allocation)	Dollar savings for nonenergy benefits (Xcel Annual Savings%) Education on 100 jobs
1,387,314	536,239.8	\$48,969.84	\$3,629,793	\$24,484.92/ \$12,400

ERC is driven to eradicate energy waste in dwellings that are occupied by the most vulnerable populations in Colorado, and over the next several years hope to expand our provided services on a larger scale. ERC’s plan is to clearly record the number of audits, households served and demonstrate the energy savings and carbon reductions we provide for the city with real data driven Therm and KWh savings data that will be collected on measures and reported to D-ONE quarterly (March, June, September, January 20th) using a tracking document designated by D-ONE to capture these data points. Additionally, through ERC’s multiple cloud-based data collection and reporting systems (Salesforce system reporting for the Colorado weatherization programs, Salesforce and Hancock reporting for Energy Outreach Colorado’s energy efficiency programs, ERC’s FileMaker client and job data software), ERC has the ability to calculate and report on any data points as requested by D-ONE. ERC also has the ability to demonstrate cost effectiveness through the National Energy Audit Tool (NEAT) or Mobile Home Energy Audit (MHEA) home energy assessment tools on all Colorado Energy Office funded jobs.

Budget/Budget Narrative:

Program Budget/Budget Narrative: (Please use the table below or copy and paste your budget into this section.)

Summary: This proposal is built to directly leverage dollars against two programs that ERC successfully operates in the Denver area currently. ERC plans to offset \$1663 of direct costs per job under our WAP contract, and an average of 75% of total operations cost under our CARE program grant until the grant is exhausted for the year. This D-ONE allocation of \$350,000.00 a year to ERC represents approximately 7.83% of ERC’s existing resources to deliver nearly identical services in Denver. The 7.83% of Denver’s resources equates to just under 3% of ERC’s total overall budget. 3% of ERC’s operating costs by category have been re-allocated back into our program.

Additionally as a note, Denver ONE Grant dollars help to create an even larger impact as a cascading effect in reference to funding and nonprofit partnerships that are bridging services to the same client base. For example, in this case, ERC’s D-ONE funding is leveraged against the Colorado Affordable Residential Energy program grant (CARE), which ERC provides to Denver area residents. The administrator of the program is Energy Outreach Colorado (EOC) who is also trying to stretch CARE program dollars to create these same services throughout the entire state, helping to bridge gaps, build equity and diversity while enveloping others with the same needs in far reaching parts of the state. Our D-ONE leveraged funds allow EOC more flexibility with their funding due to the savings we can provide to them and it impacts more clients throughout the entire state because through more service dollars available. Ultimately, this is the City and County of Denver having a larger impact state wide!

<p>1. <u>Technology Training</u>-(Please provide a narrative)</p> <p>Energy Resource Center spends a nominal amount of funding yearly on technology training. Most training in this field are an extended service of the Colorado State WAP program, in turn paid by WAP funding outside of our grant. Some technical training has technology training involved (heat pumps, PV Solar, etc.), but ERC has no technology training slated for the 2022 FY currently and its TBD for the following years.</p>	<p>\$0</p>
<p>2. <u>Consultants</u> - (Please provide a narrative)</p> <p>Energy Resource Center utilizes a whole gambit of consultants and contractors to help administratively and technically drive our services, which keeps ERC on the cutting edge of what’s new in the world of energy efficiency and functioning at a high level with a clean financial track record. As a 501©3 ERC utilizes two financial auditors to keep tabs on the overall budget for our Board of Directors, but also the innerworkings of our day-to-day operations focusing on inventory P&L.</p> <p>Additionally, in reference to both the technical & administration side of our business, ERC spends a fairly sizable amount of funding on leveraging support, legal, communications, IT services, software support, outreach advertising and social media just to keep the wheels turning. ERC is also very invested in our staff and think it’s important to focus on the human interaction, so in turn ERC spends a portion of our yearly budget on life coaches and other mental health support.</p> <p>On the technical side of the business, ERC utilizes asbestos training facilities, Lead paint certifiers, quality control certification bodies, furnace and gas course/ certification</p>	<p>\$14,651.36</p>

<p>providers to name a few and are continually adding more to our repertoire as we see the need to expand our staff's horizons.</p> <p>The dollar amount is the estimated average that will be charged to D-ONE for the 240 jobs in 2022.</p>	
<p>3. <u>Supplies/ Job Materials</u> – (Please provide a narrative)</p> <p>All weatherization materials and supplies to provide energy efficiency measures and support administration to complete weatherization services and billing. This encompasses ERC Denver's office supply expenses at 12% as well as all necessary EE direct install goods and materials for administering these services at each of the 240 construction sites throughout the City and County of Denver. Examples of materials being purchased with these funds are 95% forced air furnaces, programmable thermostats, domestic water heaters, cellulose insulation, loose fill fiberglass insulation, various fiberglass batt insulation, duct insulation, refrigerators, Ashrae ceiling fans, pipe insulation, LED lighting to name a few examples.</p> <p>The dollar amount is the estimated average that will be charged to D-ONE for the 240 jobs in 2022.</p>	<p>\$147,580.42</p>
<p>4. <u>Operating Expenses</u> – (Please provide a narrative)</p> <p>The operations expenses encompass several categories, the largest of which is ERC's wages and benefits portion at roughly \$63,599 dollars or just over 18% of the funding granted by D-ONE for these services yearly. Other additional covered costs are general permits and insurance that is necessary to do this work in the Metro area, ERC's facility costs and utility payments, temporary employment services as needed, PPE and clothing necessary to administer this work, tools of the trade as well as capital equipment & vehicle maintenance costs for the fleet and machinery.</p> <p>The dollar amount is the estimated average that will be charged to D-ONE for the 240 jobs in 2022.</p>	<p>\$137,465.74</p>
<p>5. <u>Direct Operations- Subcontractors</u> – (Please provide a narrative)</p> <p>State wide, ERC's direct service sub contractor costs are nearly 15% of our overall services, that is no different in the Denver area. Typical housing stock ERC tends to work in is normally older than 40 years and is often in dire need of some repair. Typically, the disrepair is due to the financial situations our clientele finds themselves in.</p> <p>ERC has a wide variety of sub contractors that help update building shell systems so ERC can leave the client with a safe and healthy building envelope. Types of services that are</p>	<p>\$50,302.44</p>

<p>provided are varied but often fall in the categories of: electrical upgrades- attic rewires and Ashrae fans, domestic water heater installations, Major and minor plumbing repairs to stop moisture issues, boiler installations, Insulation measures, air leakage work, building shell repair, etc.. This is varied on each job, but typically one or more of these measures will be done on 85% of all housing stock we serve.</p> <p>The dollar amount is the estimated average that will be charged to D-ONE for the 240 jobs in 2022.</p>	
<p>Total: Estimate for 2022 Grant Year.</p>	<p>\$349,999.96</p>

Data Collection and Reporting

Vendor agrees to use Xcel Energy calculator provided in D-ONE’s request for proposals (RFP Name: 2022-2024 Residential and Nonprofit Energy Efficiency Services, RFP Number: HRCP2021-RFP01)

Quarterly reports will be required. The Denver Office of Nonprofit Engagement (D-ONE) will provide a standard reporting template. The quarterly report should include the following at minimum:

- Number of Audits;
- Number of households or units served;
- Number of households or units served at or below 60% SMI and/or 80% of AMI or less (please identify which);
- Dollars/funds Leveraged;
- Estimated kWh saved using Xcel Energy Calculator;
- Estimated Therms saved using Xcel Energy Calculator;
- Annual energy dollar savings using Xcel Energy Calculator;
- Dollars savings for nonenergy benefits using Xcel Energy Calculator (Cost/(energy savings+ energy saving*50%);
- Number of households/buildings receiving education;
- Percentage of annual goals completed (see tables in Goals section above);
- Other relevant data points/formula at vendor discretion;
- Demographic data (age, race, ethnicity, gender, marital status, income, living with a disability, education level, and employment);
- Annual program reports and final program report shall be submitted to D-ONE within 45 days after the end of the Contract, and;
- Nonenergy benefits

An annual report will be required no later than February 15th of the following year.

A 3-year report will be required no later than February 15th, 2024.

Contract Requirements – Agency for Human Rights & Community Partnerships

- Organization staff may be required to meet with an Agency for Human Rights & Community Partnerships representative to debrief, share lessons learned about the contract/grant process, programming impact, etc.
- Organization shall be reimbursed or paid for services provided under this agreement according to the approved cost allocation budget, attached to and made a part of this Agreement.
- Organization shall follow City and County of Denver Fiscal Rule 8.1, Procurement, which requires that at least three (3) documented quotations be secured for all purchases of services (including insurance), supplies, or other property that costs more than \$5,000.00 in the aggregate.
- The City and County of Denver has specified a 13% MWBE Participation goal on this project. The organization is unable to meet this project goal but is committed to a 8% MWBE Participation on the contract.
- All modifications to the services and/or budget that exceeds 5% in change or more to any line item must be preapproved in writing by the Agency for Human Rights & Community Partnerships.