

## A G R E E M E N T

**THIS AGREEMENT** is made between the **CITY AND COUNTY OF DENVER**, a home rule and municipal corporation of the State of Colorado, (the “City”) and **MICHAELS ENERGY, INC.**, a Wisconsin corporation, whose address is 400 Main Street, Suite 200, La Crosse, Wisconsin 54601 (the “Consultant”), jointly (“the Parties”).

The Parties agree as follows:

**1. COORDINATION AND LIAISON:** The Consultant shall fully coordinate all services under the Agreement with the Executive Director of Climate Action, Sustainability and Resiliency (“Executive Director”) or, the Executive Director’s Designee.

**2. SERVICES TO BE PERFORMED:**

**a.** As the Executive Director directs, the Consultant shall diligently undertake, perform, and complete all of the services and produce all the deliverables set forth on **Exhibit A, Scope of Work**, to the City’s satisfaction.

**b.** The Consultant is ready, willing, and able to provide the services required by this Agreement.

**c.** The Consultant shall faithfully perform the services in accordance with the standards of care, skill, training, diligence, and judgment provided by highly competent individuals performing services of a similar nature to those described in the Agreement and in accordance with the terms of the Agreement.

**3. TERM:** The Agreement will commence on **July 1, 2022** and will expire on **June 30, 2025** (the “Term”). The term of this Agreement may be extended by the City under the same terms and conditions by a written amendment to this Agreement. Subject to the Executive Director’s prior written authorization, the Consultant shall complete any work in progress as of the expiration date and the Term of the Agreement will extend until the work is completed or earlier terminated by the Executive Director.

**4. COMPENSATION AND PAYMENT:**

**a. Budget.** The City shall pay and the Consultant shall accept as the sole compensation for services rendered and costs incurred under the Agreement the line item amounts set forth in the budget contained in **Exhibit B**. Amounts billed may not exceed the budget set forth in **Exhibit B**.

b. **Reimbursable Expenses:** There are no reimbursable expenses allowed under the Agreement. All of the Consultant's expenses are contained in the budget in **Exhibit B**.

c. **Invoicing:** Consultant shall provide the City with a monthly invoice in a format and with a level of detail acceptable to the City including all supporting documentation required by the City. The City's Prompt Payment Ordinance, §§ 20-107 to 20-118, D.R.M.C., applies to invoicing and payment under this Agreement.

d. **Maximum Contract Amount:**

(1) Notwithstanding any other provision of the Agreement, the City's maximum payment obligation will not exceed **FORTY-ONE MILLION THREE HUNDRED EIGHTY THOUSAND NINE HUNDRED NINETY-THREE DOLLARS AND NO CENTS (\$41,380,993.00)** (the "Maximum Contract Amount"). The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Consultant beyond that specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Consultant's risk and without authorization under the Agreement.

(2) The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Denver City Council, paid into the Treasury of the City, and encumbered for the purpose of the Agreement. The City does not by this Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years. The Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

5. **STATUS OF CONSULTANT:** The Consultant is an independent contractor retained to perform professional or technical services for limited periods of time. Neither the Consultant nor any of its employees are employees or Directors of the City under Chapter 18 of the Denver Revised Municipal Code, or for any purpose whatsoever.

6. **TERMINATION:**

a. The City has the right to terminate the Agreement with cause upon written notice effective immediately, and without cause upon thirty (30) days prior written notice to the Consultant. However, nothing gives the Consultant the right to perform services under the Agreement beyond the time when its services become unsatisfactory to the Executive Director.

b. Notwithstanding the preceding paragraph, the City may terminate the Agreement if the Consultant or any of its officers or employees are convicted, plead *nolo*

*contendere*, enter into a formal agreement in which they admit guilt, enter a plea of guilty or otherwise admit culpability to criminal offenses of bribery, kick backs, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature in connection with Consultant's business. Termination for the reasons stated in this paragraph is effective upon receipt of notice.

c. Upon termination of the Agreement, with or without cause, the Consultant shall have no claim against the City by reason of, or arising out of, incidental or relating to termination, except for compensation for work duly requested and satisfactorily performed as described in the Agreement.

d. If the Agreement is terminated, the City is entitled to and will take possession of all materials, equipment, tools and facilities it owns that are in the Consultant's possession, custody, or control by whatever method the City deems expedient. The Consultant shall deliver all documents in any form that were prepared under the Agreement and all other items, materials and documents that have been paid for by the City to the City. These documents and materials are the property of the City. The Consultant shall mark all copies of work product that are incomplete at the time of termination "DRAFT-INCOMPLETE".

7. **EXAMINATION OF RECORDS:** Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access and the right to examine, copy and retain copies, at City's election in paper or electronic form, any pertinent books, documents, papers and records related to Consultant's performance pursuant to this Agreement, provision of any goods or services to the City, and any other transactions related to this Agreement. Consultant shall cooperate with City representatives and City representatives shall be granted access to the foregoing documents and information during reasonable business hours and until the latter of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations. When conducting an audit of this Agreement, the City Auditor shall be subject to government auditing standards issued by the United States Government Accountability Office by the Comptroller General of the United States, including with respect to disclosure of information acquired during the course of an audit. No examination of records and audit pursuant to this paragraph shall require Parties to make disclosures in violation of state or federal privacy laws. Parties shall at all times comply with D.R.M.C. 20-276.

**8. WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event will any payment or other action by the City constitute or be construed to be a waiver by the City of any breach of covenant or default that may then exist on the part of the Consultant. No payment, other action, or inaction by the City when any breach or default exists will impair or prejudice any right or remedy available to it with respect to any breach or default. No assent, expressed or implied, to any breach of any term of the Agreement constitutes a waiver of any other breach.

**9. INSURANCE:**

**a. General Conditions:** Consultant agrees to secure, at or before the time of execution of this Agreement, the following insurance covering all operations, goods or services provided pursuant to this Agreement. Consultant shall keep the required insurance coverage in force at all times during the term of the Agreement, including any extension thereof, and during any warranty period. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-VIII" or better. Each policy shall require notification to the City in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Agreement. Such notice shall reference the City contract number listed on the signature page of this Agreement. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, Consultant shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s) and referencing the City's contract number. Consultant shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Consultant. The Consultant shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

**b. Proof of Insurance:** Consultant may not commence services or work relating to this Agreement prior to placement of coverages required under this Agreement. Consultant certifies that the certificate of insurance attached as **Exhibit C**, preferably an ACORD form, complies with all insurance requirements of this Agreement. The City requests that the

City's contract number be referenced on the certificate of insurance. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Consultant's breach of this Agreement or of any of the City's rights or remedies under this Agreement. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

c. **Additional Insureds**: For Commercial General Liability, Business Auto Liability, Cyber, and Excess Liability/Umbrella (if required), Consultant and subconsultant's insurer(s) shall include the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured. Or

d. **Waiver of Subrogation**: For all coverages required under this Agreement, Consultant's insurer shall waive subrogation rights against the City.

e. **Subcontractors and Subconsultants**: Consultant shall confirm and document that all subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Agreement) procure and maintain coverage as approved by the Consultant and appropriate to their respective primary business risks considering the nature and scope of services provided.

f. **Workers' Compensation and Employer's Liability Insurance**: Consultant shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

g. **Commercial General Liability**: Consultant shall maintain a Commercial General Liability insurance policy with minimum limits of \$1,000,000 for each bodily injury and property damage occurrence, \$2,000,000 products and completed operations aggregate (if applicable), and \$2,000,000 policy aggregate.

h. **Business Automobile Liability**: Consultant shall maintain Automobile Liability with minimum limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement.

i. **Cyber Liability**: Consultant shall maintain Cyber Liability coverage with minimum limits of \$1,000,000 per occurrence and \$1,000,000 policy aggregate covering

claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. If Claims Made, the policy shall be kept in force, or a Tail policy placed, for three (3) years.

**10. DEFENSE AND INDEMNIFICATION:**

a. Consultant hereby agrees to defend, indemnify, reimburse and hold harmless City, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement (“Claims”), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Consultant or its subcontractors either passive or active, irrespective of fault, including City’s concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

b. Consultant’s duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Consultant’s duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/or claimant alleges that City’s negligence or willful misconduct was the sole cause of claimant’s damages.

c. Consultant will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City’s exclusive remedy.

d. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Consultant under the terms of this indemnification obligation. The Consultant shall obtain, at its own expense, any additional insurance that it deems necessary for the City’s protection.

e. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

**11. TAXES, CHARGES AND PENALTIES:** The City is not liable for the payment of taxes, late charges or penalties of any nature, except for any additional amounts that the City may be required to pay under the City's prompt payment ordinance D.R.M.C. § 20-107, *et seq.* The Consultant shall promptly pay when due, all taxes, bills, debts and obligations it incurs performing the services under the Agreement and shall not allow any lien, mortgage, judgment or execution to be filed against City property.

**12. ASSIGNMENT; SUBCONTRACTING:** The Consultant shall not voluntarily or involuntarily assign any of its rights or obligations, or subcontract performance obligations, under this Agreement without obtaining the Executive Director's prior written consent. Any assignment or subcontracting without such consent will be ineffective and void, and will be cause for termination of this Agreement by the City. The Executive Director has sole and absolute discretion whether to consent to any assignment or subcontracting, or to terminate the Agreement because of unauthorized assignment or subcontracting. In the event of any subcontracting or unauthorized assignment: (i) the Consultant shall remain responsible to the City; and (ii) no contractual relationship shall be created between the City and any sub-consultant, subcontractor or assign.

**13. INUREMENT:** The rights and obligations of the Parties to the Agreement inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns, provided assignments are consented to in accordance with the terms of the Agreement.

**14. NO THIRD PARTY BENEFICIARY:** Enforcement of the terms of the Agreement and all rights of action relating to enforcement are strictly reserved to the Parties. Nothing contained in the Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the City or the Consultant receiving services or benefits pursuant to the Agreement is an incidental beneficiary only.

**15. NO AUTHORITY TO BIND CITY TO CONTRACTS:** The Consultant lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter and the Denver Revised Municipal Code.

**16. SEVERABILITY:** Except for the provisions of the Agreement requiring appropriation of funds and limiting the total amount payable by the City, if a court of competent jurisdiction finds any provision of the Agreement or any portion of it to be invalid, illegal, or

unenforceable, the validity of the remaining portions or provisions will not be affected, if the intent of the Parties can be fulfilled.

**17. CONFLICT OF INTEREST:**

**a.** No employee of the City shall have any personal or beneficial interest in the services or property described in the Agreement. The Consultant shall not hire, or contract for services with, any employee or officer of the City that would be in violation of the City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

**b.** The Consultant shall not engage in any transaction, activity or conduct that would result in a conflict of interest under the Agreement. The Consultant represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Consultant by placing the Consultant's own interests, or the interests of any party with whom the Consultant has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, will determine the existence of a conflict of interest and may terminate the Agreement if it determines a conflict exists, after it has given the Consultant written notice describing the conflict.

**18. NOTICES:** All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Consultant at the address first above written, and if to the City at:

Executive Director of Climate Action, Sustainability and Resiliency or Designee  
201 W. Colfax Avenue, Suite 708  
Denver, Colorado 80202

With a copy of any such notice to:

Denver City Attorney's Office  
1437 Bannock St., Room 353  
Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The Parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

**19. NO EMPLOYMENT OF WORKERS WITHOUT AUTHORIZATION TO PERFORM WORK UNDER THE AGREEMENT:**

a. This Agreement is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the “Certification Ordinance”).

b. The Consultant certifies that:

(1) At the time of its execution of this Agreement, it does not knowingly employ or contract with a worker without authorization who will perform work under this Agreement, nor will it knowingly employ or contract with a worker without authorization to perform work under this Agreement in the future.

(2) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., and confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

(3) It will not enter into a contract with a subconsultant or subcontractor that fails to certify to the Consultant that it shall not knowingly employ or contract with a worker without authorization to perform work under this Agreement.

(4) It is prohibited from using the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under this Agreement, and it is required to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.

(5) If it obtains actual knowledge that a subconsultant or subcontractor performing work under this Agreement knowingly employs or contracts with a worker without authorization, it will notify such subconsultant or subcontractor and the City within three (3) days. The Consultant shall also terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the worker without authorization, unless during the three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with a worker without authorization.

(6) It will comply with a reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S., or the City Auditor, under authority of D.R.M.C. 20-90.3.

c. The Consultant is liable for any violations as provided in the Certification Ordinance. If the Consultant violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of the Agreement. If this Agreement is so terminated, the Consultant shall be liable for actual and consequential damages to the City. Any termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying the Consultant from submitting bids or proposals for future contracts with the City.

**20. DISPUTES:** All disputes between the City and Consultant arising out of or regarding the Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City official rendering a final determination shall be the Executive Director as defined in this Agreement.

**21. GOVERNING LAW; VENUE:** The Agreement will be construed and enforced in accordance with applicable federal law, the laws of the State of Colorado, and the Charter, Revised Municipal Code, ordinances, regulations and Executive Orders of the City and County of Denver, which are expressly incorporated into the Agreement. Unless otherwise specified, any reference to statutes, laws, regulations, charter or code provisions, ordinances, executive orders, or related memoranda, includes amendments or supplements to same. Venue for any legal action relating to the Agreement will be in the District Court of the State of Colorado, Second Judicial District (Denver District Court).

**22. NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under the Agreement, the Consultant may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. The Consultant shall insert the foregoing provision in all subcontracts.

**23. COMPLIANCE WITH ALL LAWS:** Consultant shall perform or cause to be performed all services in full compliance with all applicable laws, rules, regulations and codes of the United States, the State of Colorado; and with the Charter, ordinances, rules, regulations and Executive Orders of the City and County of Denver.

**24. LEGAL AUTHORITY:** Consultant represents and warrants that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into the Agreement. Each person signing and executing the Agreement on behalf of Consultant represents and warrants that he has been fully authorized by Consultant to execute the Agreement on behalf of Consultant and to validly and legally bind Consultant to all the terms, performances and provisions of the Agreement. The City shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate the Agreement if there is a dispute as to the legal authority of either Consultant or the person signing the Agreement to enter into the Agreement.

**25. NO CONSTRUCTION AGAINST DRAFTING PARTY:** The Parties and their respective counsel have had the opportunity to review the Agreement, and the Agreement will not be construed against any party merely because any provisions of the Agreement were prepared by a particular party.

**26. ORDER OF PRECEDENCE:** In the event of any conflicts between the language of the Agreement and the exhibits, the language of the Agreement controls.

**27. INTELLECTUAL PROPERTY RIGHTS:** The City and Consultant intend that all property rights to any and all materials, text, logos, documents, booklets, manuals, references, guides, brochures, advertisements, URLs, domain names, music, sketches, web pages, plans, drawings, prints, photographs, specifications, software, data, products, ideas, inventions, and any other work or recorded information created by the Consultant and paid for by the City pursuant to this Agreement, in preliminary or final form and on any media whatsoever (collectively, “Materials”), shall belong to the City. The Consultant shall disclose all such items to the City and shall assign such rights over to the City upon completion of the Project. To the extent permitted by the U.S. Copyright Act, 17 USC § 101, *et seq.*, the Materials are a “work made for hire” and all ownership of copyright in the Materials shall vest in the City at the time the Materials are created. To the extent that the Materials are not a “work made for hire,” the Consultant (by this Agreement) sells, assigns and transfers all right, title and interest in and to the Materials to the City, including the right to secure copyright, patent, trademark, and other intellectual property rights throughout the world and to have and to hold such rights in perpetuity.

**28. SURVIVAL OF CERTAIN PROVISIONS:** The terms of the Agreement and any exhibits and attachments that by reasonable implication contemplate continued performance,

rights, or compliance beyond expiration or termination of the Agreement survive the Agreement and will continue to be enforceable. Without limiting the generality of this provision, the Consultant's obligations to provide insurance and to indemnify the City will survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

**29. ADVERTISING AND PUBLIC DISCLOSURE:** The Consultant shall not include any reference to the Agreement or to services performed pursuant to the Agreement in any of the Consultant's advertising or public relations materials without first obtaining the written approval of the Executive Director. Any oral presentation or written materials related to services performed under the Agreement will be limited to services that have been accepted by the City. The Consultant shall notify the Executive Director in advance of the date and time of any presentation. Nothing in this provision precludes the transmittal of any information to City officials.

**30. CONFIDENTIAL INFORMATION:**

**a. City Information:** Consultant acknowledges and accepts that, in performance of all work under the terms of this Agreement, Consultant may have access to Proprietary Data or confidential information that may be owned or controlled by the City, and that the disclosure of such Proprietary Data or information may be damaging to the City or third parties. Consultant agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the City to Consultant shall be held in confidence and used only in the performance of its obligations under this Agreement. Consultant shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent consultant would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Colorado Open Records Act or City ordinance, and provided or made available to Consultant by the City. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

**31. CITY EXECUTION OF AGREEMENT:** The Agreement will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

**32. AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS:** The Agreement is the complete integration of all understandings between the Parties as to the subject matter of the Agreement. No prior, contemporaneous or subsequent addition, deletion, or other modification has any force or effect, unless embodied in the Agreement in writing. No oral representation by any officer or employee of the City at variance with the terms of the Agreement or any written amendment to the Agreement will have any force or effect or bind the City.

**33. USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS:** Consultant shall cooperate and comply with the provisions of Executive Order 94 and its Attachment A concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in contract personnel being barred from City facilities and from participating in City operations.

**34. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Consultant consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature under the Agreement, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**Exhibit List**

**Exhibit A** – Scope of Work.

**Exhibit B** – Budget.

**Exhibit C** – Certificate of Insurance.

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**Contract Control Number:** CASR-202263525-00  
**Contractor Name:** MICHAELS ENERGY, INC.

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

**SEAL**

**CITY AND COUNTY OF DENVER:**

**ATTEST:**

By:

\_\_\_\_\_

\_\_\_\_\_

**APPROVED AS TO FORM:**

**REGISTERED AND COUNTERSIGNED:**

Attorney for the City and County of Denver

By:

By:

\_\_\_\_\_

\_\_\_\_\_

By:

\_\_\_\_\_

**Contract Control Number:**  
**Contractor Name:**

CASR-202263525-00  
MICHAELS ENERGY, INC.

By:  \_\_\_\_\_  
DocuSigned by:  
Bryce Dvorak  
EBFAB7D2A7EF494...

Name: Bryce Dvorak  
(please print)

Title: Director of Operations  
(please print)

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)

# **EXHIBIT A**

## **SCOPE OF WORK**

## SCOPE OF WORK

### Commercial and Multifamily Building Electrification Program Administrator

#### Summary

Incentives for commercial and multifamily building electrification and decarbonization are needed to prepare the market for code requirements and to prepare affected buildings for a warming future. The goal of the program is to reduce greenhouse gas emissions in commercial and multifamily buildings and shift the larger market toward electrification. The funds will be used to support Denver’s communities through subsidizing electrification feasibility reports and assisting with partial and full electrification to reduce long-term energy burden, provide cooling, and improve indoor air quality, with a focus on under-resourced buildings. Because under-resourced communities are less likely to participate in traditional incentives, face higher impacts from a warming climate, and have less ability to pay for upgrades, the program will assist with retrofit costs even after regulations go into effect.

Task 1	Deliverables
<p><b>1.0 Kickoff Meeting</b>            Michaels will set up a kickoff meeting with the city staff, Michaels’ staff, and all sub-contractors to ensure a common understanding of all project goals, expectations, and communication protocol.</p> <p>This is projected for mid to late July depending on contract being final.</p> <p>Michaels will send a draft kickoff meeting agenda to CASR for review prior to the scheduled meeting date. Agenda will include:</p> <ul style="list-style-type: none"> <li>• Walk through the project workplan</li> <li>• Solicit feedback and questions from full team</li> <li>• Refine timeline and deliverables</li> <li>• Adjustments to the workplan if needed</li> <li>• Discussing the project branding</li> <li>• Cadence for regular check-in meetings with the City</li> <li>• Communication protocols, including website architecture, mailbox needs, messaging needs, development of creative assets, media relations, and primary point of contact</li> </ul> <p>Billable Method (monthly):</p> <ul style="list-style-type: none"> <li>• Hourly time for staff preparing agenda, slides/workplan, documenting outcomes, finalizing the workplan, and conducting any other necessary follow-up</li> </ul>	<ol style="list-style-type: none"> <li>1. Draft and final kickoff meeting agenda</li> <li>2. Kickoff meeting</li> <li>3. Draft and final workplan document/PowerPoint</li> <li>4. Minutes from meeting with next steps</li> <li>5. Scheduling regular check-in meetings with the City</li> <li>6. Invoice for staff time with hours called out by sub-task</li> </ol>
<b>Task 1</b>	

## SCOPE OF WORK

<p><b>1.1 Review Feasibility Report Templates design and input from stakeholders and finalize templates based on feedback.</b></p> <p>CASR began designing Electrification Feasibility Report (EFR) templates in May and will provide Michaels and all affected sub-contractors:</p> <ul style="list-style-type: none"> <li>• EFR template designs</li> <li>• List of assumptions and unknowns including data and studies performed</li> <li>• Feedback from building owners and HVAC industry already documented</li> <li>• Economic Hardship Exemption definitions</li> <li>• Timelines for adoption in City code</li> </ul> <p>This is projected for late July depending on contract being final.</p> <p>Michaels will review documents provided, incorporate feedback from stakeholders and depending on requirements provide the following:</p> <ul style="list-style-type: none"> <li>• Calculators to imbed in reports for greenhouse gas reduction, annual energy cost for natural gas and electric equipment, total lifetime cost of NG vs. electric, rebates available, and others dependent on stakeholder feedback. Draft mockups of calculation tools <b>Due August 15, 2022.</b></li> <li>• Final draft templates by building typology and space/water heating technology. This is envisioned to be a 90% complete document with only minor changes expected from further engagement in trainings. There could be up to ten variations of templates. <b>Due September 15, 2022.</b></li> </ul> <p><b>Billable Method:</b> Hourly time of staff to prepare templates, attend meetings, and create calculators / other requirements.</p>	<ol style="list-style-type: none"> <li>1. EFR templates report concepts for CASR review</li> <li>2. Final Draft Feasibility report templates</li> <li>3. Invoice for staff time with hours called out by sub-task</li> </ol>
<b>Task 1</b>	
<p><b>1.2 Design EFR incentive methodology and finalize EFR templates</b></p> <p>Incentives for EFR are designed to reduce or eliminate the cost burden of this new expense for facilities accepted into the EFR rebate program during this transitional period. Incentive design will require understanding expected costs and require outreach to effected HVAC industry</p>	<ol style="list-style-type: none"> <li>1. Memo on EFR costs and other considerations</li> <li>2. Feasibility report incentive application</li> <li>3. Feasibility report incentive program process guide – including eligibility, processing, contractor</li> </ol>

## SCOPE OF WORK

<p>Michaels will:</p> <ul style="list-style-type: none"> <li>• Gather expected costs for completing these feasibility reports through direct outreach, surveys, or other means. Findings and recommendations are to be documented and shared with CASR <b>by October 15, 2022.</b></li> <li>• Create first drafts of EFR incentive application and program process documents, which should include process guide, eligibility requirements, contractor eligibility, and support available (especially for Under Resourced Buildings (URBs)). The first draft to be delivered to CASR <b>by November 15, 2022</b> with and final copy delivered by <b>December 15, 2022.</b></li> <li>• Create web site content reflecting process and all documents. Content to be live by <b>December 15, 2022.</b></li> </ul> <p><b>Billable Method:</b> Hourly time of staff for outreach, research, preparing documents, creating web content, and documenting findings.</p>	<p>management, and call center processes</p> <ol style="list-style-type: none"> <li>4. Website content</li> <li>5. Invoice for staff time with hours called out by sub-task</li> </ol>
<b>Task 1</b>	
<p><b>1.3 Produce educational materials for EFR and incentives.</b></p> <p>Based on information gathered and documented during the initial design and outreach for EFR templates education material will address major concerns and how to successfully complete an EFR, apply for incentives and, if needed, to apply for an Economic Hardship Exemption.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> <li>• Draft versions of training materials including handouts, web material and slide decks prior to <b>September 30, 2022</b> and final versions of training materials by <b>October 31, 2022.</b></li> <li>• Method to continue to gather input on materials, incentives and web information from those attending trainings. To be completed by <b>September 30, 2022.</b></li> </ul> <p><b>Billable Method:</b> Hourly time of staff for preparing documents, web design and documenting progress.</p>	<ol style="list-style-type: none"> <li>1. Draft and final versions of all live training materials</li> <li>2. Draft and final versions of all training and informational materials for the program website</li> <li>3. Reporting method for feedback</li> <li>4. Invoice for staff time with hours called out by sub-task</li> </ol>

## SCOPE OF WORK

Task 1	
<p><b>1.4 Host trainings.</b> In person or virtual trainings are needed to show those performing EFR and those paying for EFR how to successful do so and apply for incentives. This is also an opportunity to grow contractor networks and gather input on templates and incentive design. It is expected that an iterative approach will be needed as we engage. This will also require targeting outreach to those most needing the information and providing assistance to those with barriers to participating such as childcare, transportation, or translation).</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> <li>• Outreach to HVAC and building owners needing EFR trainings. Initial list to be provided to CASR by <b>September 1, 2022</b>.</li> <li>• Five training opportunities to start by <b>December 15, 2022</b> continuing through early 2023. Flexibility will be provided based on timing of ordinance requirements.</li> <li>• An after-training recap report to include, but not limited to, attendance, number of MBE certified firms or URB representatives and feedback on templates and incentives. Due one week after all trainings are complete.</li> <li>• Recordings of web-based trainings with the ability to be posted on the City website. To be provided by <b>February 15, 2023</b>.</li> <li>• Updated training materials one week after each training (if needed).</li> </ul> <p><b>Billable Method:</b></p> <ul style="list-style-type: none"> <li>• Hourly time of staff for outreach, preparing documents, running meetings and</li> <li>• Direct costs of outside services for translation, renting space, hosting day care services, transportation, or parking (if needed) and refreshments.</li> </ul>	<ol style="list-style-type: none"> <li>1. Initial outreach list for trainings</li> <li>2. Five in-person trainings</li> <li>3. After-training recap report</li> <li>4. Recording(s) of presentations to post to the program website</li> <li>5. Updated training and informational materials based on feedback from attendees, as necessary</li> <li>6. Invoice for staff time with hours called out by sub-task</li> <li>7. Invoice for services cost called out by sub-task</li> <li>8. Invoice for costs incurred for training including refreshments, parking vouchers, space rentals and promotional items.</li> </ol>
Task 1	
<p><b>1.5 Administer Incentives.</b></p> <p>As the code changes in 2023, buildings over 5,000 square feet will need to install electric space heating and water heating for easy-to-electrify systems. These building owners will see an increase in cost to replace failing equipment and the incentive will cover some or all the cost of the Electrification Feasibility Report. It is</p>	<ol style="list-style-type: none"> <li>1. Incentive payments to participants</li> <li>2. Project tracking database</li> <li>3. Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive funds</li> </ol>

## SCOPE OF WORK

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|  | <p>4. Monthly invoicing called out by sub-task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided</p> |
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important that the incentives are delivered soon after the reports are approved to reduce burden on building owners.

Michaels will provide prior to launching incentive program:

- An application receiving and processing website to intake forms, **due Jan 1, 2023**.
- Ability to verify eligibility of contractor providing services to complete feasibility report.
- Ability to distribute payments in accordance with the program design approved by the City.

An accessible database and report template that should include, but is not limited to, the following fields: Facility Address, copy of the EFR, costs to electrify the building (products and services), and estimated greenhouse gas and energy reductions.

**Billable Method:**

- Michaels to invoice for projected incentives and place funds in escrow or separate account.
- Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of EFR incentives to be placed in escrow or a separate account. .
- Michaels to invoice monthly for forecasted funds needed for the following month.
- Michaels to reimburse CASR at the end of Task 1 for any unused incentive funds.
- Direct costs of staff time required for setting up call centers, databases, verifying contractor eligibility, or other processes.
- Time and materials costs for direct labor and pass-through expenses for staffing and managing the call center, processing and reviewing feasibility report incentive applications, and issuing feasibility report incentive payments.

## SCOPE OF WORK

Task 1	
<p><b>1.6 Review feasibility report submissions and economic hardship exemption requests.</b> CASR estimates around 1,200 buildings per year will need to replace easy-to-electrify space or water heating systems once City code is changed. There is a need for technical support for both reviewing the EFRs and Economic Hardship Exemptions Requests and a need to continuously improve the process of identifying the most economical ways to electrify buildings.</p>	<ol style="list-style-type: none"> <li>1. Guidance document for reviewing and approving feasibility reports and economic hardship exemption submissions</li> <li>2. Approved feasibility reports</li> <li>3. Recommendations for economic hardship exemption requests</li> <li>4. Monthly check in meetings</li> </ol>
<p>CASR along with Community Planning and Development staff will provide:</p> <ul style="list-style-type: none"> <li>• Current data on permitting (# of buildings, types of buildings, building sf) for easy-to-electrify systems on a quarterly basis, starting January 1, 2023.</li> </ul> <p>Michaels will provide a guidance document and set up a meeting with the City for reviewing and approving feasibility reports and economic hardship exemption submissions based upon feedback and input from stakeholders and city staff by <b>November 15, 2022</b>.</p> <p>Michaels will provide on an ongoing basis once code updates take effect:</p> <ul style="list-style-type: none"> <li>• Technical support to the City by intaking, reviewing and approving Electrification Feasibility Report submissions (<u>processing time to be determined with City at the November 15, 2022 meeting</u>).</li> <li>• Technical support to the City by intaking, reviewing and providing recommendations to CPD and CASR for Economic Hardship Exemptions Requests.</li> <li>• The ability to review up to 1,200 EFRs and 1,200 Economic Hardship Exemptions annually (Economic Hardship Exemptions may not start until 2025).</li> <li>• Set up monthly status meetings with CASR and key staff working on EFR and Economic Hardship exemptions</li> </ul> <p><b>Billable Method:</b></p> <ul style="list-style-type: none"> <li>• Hourly time of staff for reviewing documents, communicating with applicants, documenting work and findings.</li> </ul>	<ol style="list-style-type: none"> <li>5. Monthly invoicing called out by sub-task</li> </ol>

## SCOPE OF WORK

<b>Task 1</b>	
<p><b>1.7 Performance monitoring and recommendations.</b> Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Quarterly progress updates are also a point to bring in additional input from key stakeholders to get a fuller perspective. Yearly reports help communicate broad successes and future opportunities to improve.</p>	<ol style="list-style-type: none"><li>1. Monthly progress reports and meetings</li><li>2. Quarterly project outcome reports and meeting</li><li>3. Yearly program report-out presentation</li><li>4. Invoice for staff time with hours called out by sub-task</li></ol>

## SCOPE OF WORK

Monitoring also includes industry annual survey of trades organizations to ask questions around awareness of any changes to codes or requirements or changes in heat pump technology. Understanding where the industry is over time provides feedback on challenges to overcome and progress toward shifting the market.

Michaels will:

- Create a reporting template for monthly reports by **August 1, 2022**.
- Provide monthly written reports and set up follow up meeting within 10 business days after the end of each month.
  - The monthly report should include: Number of feasibility reports reviewed, Number of economic hardship exemptions reviewed and approved, Estimated potential lifetime greenhouse gas reductions for market-rate and under-resourced buildings, number of buildings applied for funds and funds committed, number of buildings received funds and funds spent, percent of funds delivered to URBs, recommendations for changes to the program, program materials, or program processes to better achieve the City's desired outcomes, Michaels teams' contract spend, activities completed, and outstanding issues or forecasted challenges.
- Provide a quarterly progress report and set up a meeting starting in **April 2023** to highlight anticipated needs for the next quarter. Quarterly report should contain:
  - Building information, including address, building type, and square footage
  - Whether a building qualifies as under-resourced
  - Project (feasibility study) completion date
  - Incentive provided
  - Details of equipment to be replaced
  - Details of proposed new equipment, including cost
  - Other items in the scope of the project (e.g., electrical system upgrade) and costs

## SCOPE OF WORK

- Estimated lifetime greenhouse gas reductions
  - Any significant challenges reported by the customer or contractor to the customer support center or contractor manager or reported by the Michaels support team. City staff will summarize any challenges reported to them for inclusion.
- Provide a yearly report and presentation in conjunction with Task 2 and Task 3 work products in **January 2024** on 2023 program results. Focus will be on presenting lessons learned and qualitative and quantitative results:

### **Quantitative Results:**

- Number of buildings that have received funds and funds spent
- Break-down of buildings receiving funds by:
  - Building type by number and square footage
  - Space heating/cooling type including whether the building or residential units have cooling
  - Water heating type
  - Resource level by number and square footage
- Number of feasibility reports reviewed
- Number of economic hardship exemptions reviewed and approved
- Percent of contractors who have completed project feasibility reports that are women-owned, minority-owned or local to Denver
- Number of contractors who received disciplinary actions, recurring issues, and recommendations for how to minimize issues in the full program
- Estimated potential lifetime greenhouse gas reductions for market rate and under-resourced buildings
- Number of buildings projected to need electric service upgrades and range, median, and average costs
- Contractor familiarity with:
  - New code requirements

## SCOPE OF WORK

<ul style="list-style-type: none"> <li>○ Electrification feasibility reports</li> <li>○ Heat pump technology</li> <li>• Technology availability and local stock (range, median and average number of each type of equipment stocked)</li> <li>• Soft versus hard cost estimates including impact of labor costs on total estimated project costs</li> <li>• Permitting costs and timeframes</li> </ul> <p><b>Qualitative Results and Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Summary of challenges the Michaels team encountered, if and how the Michaels team resolved those challenges and recommendations for minimizing and resolving these issues in future years</li> <li>• Commentary on technology availability and local stock and how to increase it if needed</li> <li>• Summary of permitting challenges and suggestions for resolving them</li> <li>• Summary of technological and logistical challenges contractors are experiencing including electrical service upgrade issues and recommendations for resolving them</li> <li>• Summary of local workforce availability and recommendations for increasing it if needed</li> <li>• Summary of reasons for economic hardship exemption requests and recommendations for reducing economic hardship</li> </ul> <p><b>Billable Method:</b></p> <p>Hourly time of staff preparing documents and reports, presenting and meetings.</p>	
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<b>Task 2 Electrification Pilots</b>	
<p><b>2.1 Research pilot design.</b></p> <p>Prior to designing pilots or incentives it is a best practice to understand what worked in other locations and what failed and why. The City is interested in gathering information quickly through interviews, stakeholder meetings or panels.</p> <p>Michaels (or sub-contractors) will be responsible for identifying industry leaders and stakeholders including</p>	<ol style="list-style-type: none"> <li>1. Draft and final kickoff meeting agenda (from 1.0)</li> <li>2. Kickoff meeting (from 1.0)</li> <li>3. Draft and final workplan document/PowerPoint (from 1.0)</li> </ol>

## SCOPE OF WORK

HVAC manufactures and installers, utilities and cities with similar programs and others running energy efficiency programs. Areas of focus will include electrification program design, incentive levels, approaches for reaching under-resourced buildings, how to address energy bill impacts, costs to electrify, workforce availability and development, equipment availability, and other challenges and lessons learned.

Michaels will provide:

- Kick off meeting to align work and expectations and document next steps of process and workflow. This can be done concurrently with Task 1.0 in July depending on contract being final.
- Meeting to define pilot project research objectives and documented outcomes.
- Provide stakeholder and industry engagements with attention on under resourced buildings, under resourced community representation and CBOs to gain knowledge and current best practices on focus areas. due by **September 15, 2022**.
- A document of findings and recommendations for pilots for both market-rate buildings and URBs. To be completed and delivered by **September 30, 2022**.

CASR will provide:

- Documentation on current and future outreach to under resourced buildings and under resourced community representation. This includes definitions and lists of under resourced buildings. This will be provided by the kickoff meeting.
- Maps of under-resourced communities and buildings. This will be provided by the kickoff meeting.
- List of Community Based Organizations (CBOs) currently known and working with for URBs. This will be provided by the kickoff meeting.
- Current new construction incentives projects, process, and requirements. This will be provided by the kickoff meeting.
- Direction on pilot design based on documented findings and recommendations. This will be provided one week after findings documentation is provided.

**Billable Method:**

4. Minutes from meeting with next steps (from 1.0)
5. Scheduling regular check-in meetings with the City (from 1.0)
6. Outreach list for stakeholder meetings
7. Draft and final stakeholder meeting agendas
8. Stakeholder engagements
9. Post meeting recap report
10. Memorandum including our findings and several pilot and incentive design alternatives for CASR to consider
11. Invoice for staff time with hours called out by sub-task
12. Invoice for any direct costs for the stakeholder meetings, for example services (interpretation, childcare), parking vouchers, space rental, transportation, etc. and refreshments (if needed)

## SCOPE OF WORK

<ul style="list-style-type: none"> <li>• Hourly time of staff preparing stakeholder engagement events, documents and reports, presenting and meetings.</li> <li>• Direct costs of outside services for interpretation, renting space, hosting day care services, transportation, or parking and refreshments (if needed).</li> </ul>	
<b>Task 2</b>	
<p><b>2.2 Design electrification pilot methods for both market rate and under-resourced buildings.</b></p> <p>The designed pilot method based on selected alternatives will address incentive dollar amounts and a prioritization of buildings and system types being replaced. This will have two distinct timings with easy to electrify system pilots starting in quarter 4 of 2022 and hard to electrify systems design in late 2023 to mid-2024.</p> <p>Some pilot sites will already be selected by City staff prior to design. These sites will be limited in scope and focus on URB sites.</p> <p><b>Michaels will provide:</b></p> <ul style="list-style-type: none"> <li>• A prioritization plan based on building typology, ability to gain knowledge and insights needed to design a larger incentives program, and at least half of all pilot funds going to under-resourced buildings <b>due September 30, 2022.</b></li> <li>• A pilot funding method and amounts of financial incentives needed to encourage building owners, installers, and HVAC designers to select electrification options for systems at or near end of life. The method shall be designed so at least half of funds are distributed to under-resourced buildings with additional facilitation of pilots for under-resourced buildings, <b>due October 15, 2022.</b></li> <li>• A plan for partnering with Community Based Organizations or small, minority and women owned businesses specifically for under-resourced buildings, <b>due October 15, 2022.</b></li> <li>• Pilot guidance documentation with requirements and registration for contractors, building owners and products, approval of projects, marketing and consumer protection requirements to ensure building owners are not sold products or services that do not meet requirements or are costly without benefit, project submission, reviews, and approval process, complaint management process and web-based</li> </ul>	<ol style="list-style-type: none"> <li>1. Pilot prioritization roadmap</li> <li>2. A plan for incorporating CBOs into pilot outreach</li> <li>3. Pilot design documents specifying system type to be installed and research questions to be answered</li> <li>4. Pilot incentive program process guide</li> <li>5. Website content</li> <li>6. Invoice for staff time with hours called out by sub-task</li> </ol>

## SCOPE OF WORK

<p>resources providing program information and access for participants, <b>due November 15, 2022.</b></p> <ul style="list-style-type: none"> <li>Website content including educational/informational materials and application materials, due <b>December 15, 2022.</b></li> </ul> <p><b>Billable Method:</b></p> <p>Hourly time for staff completing plans, processes, documents, and website content.</p>	
<b>Task 2</b>	
<p><b>2.3 Building and industry outreach.</b> Promoting pilots to building owners, HVAC installers and manufacturers will be needed to get a representative number of pilots for different building types and space and water heating types. To reach under-resourced communities and URBs the best practice has been to use trusted networks of community-based organizations to provide direct outreach to decision makers in those communities and buildings. This effort also connects to current outreach efforts with under-resourced communities by CASR staff.</p> <p><b>Michaels will provide:</b></p> <ul style="list-style-type: none"> <li>Outreach and communication materials for diverse audiences including Spanish materials, web-based and printed. Draft material to be presented <b>by November 15, 2022</b> and final material <b>by November 30, 2022.</b></li> <li>An outreach plan to reach URBs based on previous prioritization and stakeholder input. To be provided <b>by December 15, 2022.</b></li> </ul> <p><b>Billable Method:</b></p> <p>Hourly time for staff developing outreach materials, outreach plans, and conducting industry outreach.</p>	<ol style="list-style-type: none"> <li>Draft and final versions of all outreach and communication materials</li> <li>Draft and final versions of all materials for the program website</li> <li>Outreach plan to reach URBs</li> <li>Invoice for staff time with hours called out by sub-task</li> </ol>
<b>Task 2</b>	
<p><b>2.4 Administer pilots.</b> While the exact method and price points for incentives are not known at this time, we do know payments for increased costs over standard natural gas system are needed to find a broad spectrum of participation quickly.</p> <p><b>Michaels will provide:</b></p>	<ol style="list-style-type: none"> <li>Incentive payments to participants</li> <li>Pilot tracking database</li> <li>Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive</li> </ol>

## SCOPE OF WORK

	<p>funds</p> <p>3. Monthly invoicing called out by sub-task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided</p>
<ul style="list-style-type: none"> <li>• Invoicing 30 days prior to pilot estimated completion to ensure funds are transferred.</li> <li>• A separate escrow or account for all pilot funds.</li> <li>• Pilot tracking database with all aspects of administration captured and broken out by market rate and URB.</li> <li>• Administration and tracking of ongoing pilots including application processing, distributing funds, reporting on each project (previous energy use, total costs of installs vs. gas system, costs by type (labor, design and materials) and estimated future energy use.</li> </ul> <p>CASR will provide:</p> <ul style="list-style-type: none"> <li>• Funding to be released 30 days after receiving invoices</li> <li>• Written request for unspent funds at the end of the pilots for easy to electrify systems and the end of hard to electrify systems pilots.</li> <li>• New construction incentive payments will be sent through as a separate request. Michaels may assess a processing fee but will not be expected to manage anything but the payment for design services or materials/ labor.</li> </ul> <p><b>Billable Method:</b></p> <ul style="list-style-type: none"> <li>• Michaels to invoice for projected pilot incentives and place funds in escrow or separate account.</li> <li>• Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of pilot incentives to be placed in escrow or a separate account. .</li> <li>• Michaels to invoice monthly for forecasted funds needed for the following month.</li> <li>• Michaels to reimburse CASR at the end of Task 2 for any unused incentive funds.</li> <li>• Direct costs of any staff time required for setting up call centers, databases, or other processes.</li> <li>• Time and materials costs for direct labor and pass-</li> </ul>	

**SCOPE OF WORK**

through expenses for staffing and managing the call center, processing and reviewing pilot projects, and issuing pilot project incentive payments.

**Task 2**

**2.5 Performance monitoring and recommendations.**

Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products on at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Yearly reports help communicate broad successes and future opportunity to improve.

As pilots are expected to move quickly, there will not be a requirement for quarterly reporting but rather an end of

1. Monthly reports
2. End-of-pilot report-out presentation(s)
3. Yearly report section on pilots informing incentives

## SCOPE OF WORK

pilot report out to move from piloting to incentive design and roll out in a timely manner.

Michaels will:

- Create a reporting template for monthly reports by **August 1, 2022.**
- Provide monthly written reports and set up follow up meeting within 10 business days after the end of each month.
  - The monthly report, which should be an addition to the EFR incentive monthly report while still applicable, should include:  
number of projects and funds completed/delivered by building type, space heating/cooling type, and water heating type (as applicable), percent of funds provided to under-resourced buildings, percent of contractors who have completed projects that are women-owned, minority-owned, or local to Denver, estimated energy saved for market-rate and under-resourced buildings, estimated energy saved per square foot for market-rate and under-resourced buildings, Michaels teams' contract and incentive fund spending, activities completed, upcoming activities, and outstanding issues or foreseen challenges.
- Provide end of pilot report-outs to focus on lessons learned on costs and benefits to electrifying buildings and facilitation needs for URB and market rate buildings. These reports should recommend when to end a specific pilot and initiate the next step to design the incentive for that equipment or building type.
- Provide a section in the yearly report and presentation in conjunction with Task 1 and Task 3 work products in January 2024 on 2022-23 pilot results. Focus will be on lessons learned and how pilots informed what full program incentives should be with recommendations for changes for hard to electrify pilots.

## SCOPE OF WORK

<ul style="list-style-type: none"> <li>• Provide quantitative and qualitative tracking on these areas:</li> <li>• Quantitative:             <ul style="list-style-type: none"> <li>○ Percent of contractors who have completed electrification projects that are women-owned, minority owned, or local to Denver</li> <li>○ Summary of equipment replaced, new equipment, and costs</li> <li>○ Summary of other notable items included in project scope (e.g., electrical system upgrades) and costs</li> </ul> </li> <li>• Qualitative             <ul style="list-style-type: none"> <li>○ Summary of support the Michaels team provided to under-resourced buildings and recommendations for improving access to the entire program for these participants.</li> </ul> </li> </ul> <p><b>Billable Method:</b></p> <p>Hourly time of staff preparing documents and reports, presenting and meetings.</p>	
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<b>Task 3 Electrification Incentives and Facilitation</b>	
<p><b>3.1 Research incentive design and incorporate with lessons learned from pilots and co-creation process.</b></p> <p>Prior to designing incentives, it is a best practice to understand what worked in pilots and gain perspectives through a co-creation process. The City is interested in using the lessons learned from pilots and input from the cocreation process to build equity-first incentives.</p> <p>Michaels (or sub-contractors) will be responsible for documenting the pilot programs and bringing recommendations forward in a timely manner.</p> <p>CASR and Michaels will be responsible for running a co-creation processes to help under-resourced communities identify which buildings qualify for extra support and to design incentives. The City’s co-creation process is a collaborative partnership with the communities most affected by climate change to create programs together. Michaels and their subcontractors will also add to the co creation process through outreach and pilot projects.</p> <p>CASR initiated outreach to neighborhoods and community groups in early 2022 and will continue to collaborate</p>	<ol style="list-style-type: none"> <li>1. Agenda for meeting to discuss with CASR findings from pilots and recommendations</li> <li>2. Memorandum outlining recommendations for program design</li> <li>3. Invoice for staff time with hours called out by sub-task</li> </ol>

**SCOPE OF WORK**

throughout the contract timeframe. Community needs and direction identified during the co-creation process will be shared with the consultant throughout.

**Michaels will provide:**

- An agenda for program design kick-off meeting(s) based on recommendations from end of pilot reports, **due by January 31, 2023.**
- Report on findings from pilots and cocreation process and URB input during pilots outlining recommendations for program design. Program design may be different based on building type, equipment and URB or market rate buildings, **due by January 31, 2023.**

**CASR will provide:**

- Updates on cocreation process through monthly reports and any end of project input gained.

**Billable Method:**

Hourly time of staff preparing documents and reports, presenting materials and meetings

**Task 3**

**3.2 Design incentives from selected alternatives.**

The goal of incentives for electrification projects is to reduce or eliminate the incremental cost burden of the extra expense of electrified heating equipment for buildings in the program. Thus, increasing adoption of heat pump technology and, over time, changing the marketplace for heat pumps. Incentive design is iterative; as the market shifts, new opportunities and challenges arise and the incentive design needs to be revisited.

Electrification incentives for easy-to-electrify systems (furnaces, roof top units, and individual water heaters) should be designed in early 2023. Electrification incentives for hard-to-electrify systems (packaged terminal air conditioner (PTAC), boilers, and central hot water systems) should be designed by the last half of 2024.

**Michaels will provide:**

- Final design including process guide, application process, approval requirements for all participants, vendor and building eligibility criteria, contractor management, and call center support documentation **Due by February 15, 2023.** Incentive design process needs to ensure half of all funds are for URBs and

1. Electrification program incentive applications
2. Electrification program process guide including project processing, contractor management, and call center support documentation
3. Website content
4. Invoice for staff time with hours called out by sub-task

## SCOPE OF WORK

<p>facilitation services are provided to accomplish electrification projects.</p> <ul style="list-style-type: none"> <li>• Web site content with all materials needed to apply and call center support. <b>Due by February 15, 2023.</b></li> </ul> <p><b>Billable Method:</b></p> <p>Hourly time of staff preparing applications, processes, documents, and website content.</p>	
<b>Task 3</b>	
<p><b>3.3 Produce communication and educational materials.</b> Based on information gathered and documented during pilots, outreach education material will address benefits of electrification, how to apply, identify other programs such as Xcel rebates and how to gain additional facilitation services for those eligible.</p> <p><b>Michaels will provide:</b></p> <ul style="list-style-type: none"> <li>• Draft versions of materials including handouts and web materials. Paper materials will be translated to Spanish at a minimum, with additional languages needed determined by CASR. To be sent two weeks prior to launching any incentive program.</li> <li>• A plan for partnering with Community Based Organization or small and women owned businesses specifically for under-resourced buildings, <b>due by March 28, 2023.</b></li> </ul> <p><b>Billable Method:</b> Hourly time of staff for preparing documents, web design and documenting progress.</p>	<ol style="list-style-type: none"> <li>1. Draft and final copies of all educational, informational, and communication materials</li> <li>2. Plan for CBO outreach and coordination</li> <li>3. Invoice for staff time with hours called out by sub-task</li> </ol>
<b>Task 3</b>	
<p><b>3.4 Administer incentives.</b> While the exact method and price points for incentives are not known at this time, we do know payments for increased costs over standard natural gas system are needed to find a broad spectrum of participation quickly.</p> <p><b>Michaels will provide:</b></p> <ul style="list-style-type: none"> <li>• Ability to manage and pay out between 250 and 500 incentives per year by April 1,2022.</li> <li>• Invoicing 30 days prior to incentives estimated completion to ensure funds are transferred.</li> <li>• A separate escrow or account for all incentive funds.</li> </ul>	<ol style="list-style-type: none"> <li>1. Incentive payments to participants</li> <li>2. Project tracking database</li> <li>3. Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive funds</li> <li>4. Monthly invoicing called out by sub-</li> </ol>

## SCOPE OF WORK

	<p>task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided.</p>
<ul style="list-style-type: none"> <li>• Monthly reporting on budgets, upcoming work and finished work.</li> <li>• Administration and tracking of ongoing incentives including application processing, distributing funds, reporting on each project (total costs of installs vs. gas system, costs by type (labor, design and materials)), estimated greenhouse gas reductions</li> <li>• Incentive tracking database with all aspects of administration captured and broken out by market rate and URB.</li> </ul> <p><b>CASR will provide:</b></p> <ul style="list-style-type: none"> <li>• Funding to be released 30 days after receiving invoices and any outstanding questions resolved</li> </ul> <p><b>Billable Method:</b></p> <ul style="list-style-type: none"> <li>• Michaels to invoice for projected incentives and place funds in escrow or separate account.</li> <li>• Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of program incentives to be placed in escrow or a separate account.</li> <li>• Michaels to invoice monthly for forecasted funds needed for the following month.</li> <li>• Michaels to reimburse CASR at the end of Task 3 for any unused incentive funds.</li> <li>• Direct costs of any staff time required for setting up call centers, databases, or other processes.</li> <li>• Time and materials costs for direct labor pass-through expenses for staffing and managing the call center, processing and reviewing electrification project incentive applications, and issuing electrification</li> </ul>	

## SCOPE OF WORK

<p>project incentive payments.</p>	
<b>Task 3</b>	
<p><b>3.5 Facilitation and support for under-resourced buildings.</b>  Facilitation and support for under-resourced buildings is one of the most critical aspects of this project. URBs often do not have the expertise or time to evaluate and manage equipment upgrade projects. Facilitation services for URBs starts at outreach to these facility owners and their contractors and ensuring awareness of services and programs they are eligible to receive on their journey to installing clean heating equipment.</p> <p><b>Michaels will provide:</b></p> <ul style="list-style-type: none"> <li>• Outreach plan for URBs to cover start to finish of the project with the following services: <ul style="list-style-type: none"> <li>○ Assisting owners and contractors to understand the program</li> <li>○ Helping owners understand the impacts on their energy bills and any other non-energy benefits such as improved air quality</li> <li>○ Recommending other services such as weatherization or utility demand response</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. Proactive outreach plan for under-resourced facilities and contractors</li> <li>2. Contractor check-in plan</li> <li>3. Menu of offerings available for Tier 2 and Tier 3 service levels</li> <li>4. Reporting on support hours and dollars supplied to under-resourced facilities</li> <li>5. Invoice for staff time with hours called out by sub-task</li> <li>6. Invoice for CBO support with hours called out by sub-task</li> </ol>

## SCOPE OF WORK

programs that can help minimize any negative impacts on energy bills.

- Developing high-level design specifications that facility owners can use for issuing bids
- Helping review bids from contractors, educating owners on the differences between the options, and steering them towards the best fit for their needs.
- Assisting with applying for incentives and other funding from Xcel Energy and other sources to help fund electrification projects.
- Identify funding cycles and the best time to apply for funding and install equipment.
- Help facilitate the design and installation process by connecting owners and contractors with solutions to the issues they are facing, acting as the point of contact for contractors, answering their technical questions.
- Ensuring functional performance testing is performed on equipment installed to ensure it is functioning correctly and providing the most significant benefit to the participant.
- Contractor check in plan to periodically verify progress of ongoing work and ensure projects are on track.
- Ability to process funds to CBOs and external contractors performing services for URBs with separate facilitation account and invoicing 60 days prior to funds being distributed.

**CASR will provide:**

- Qualifying criteria for higher levels of services based on URB definitions and co-creation process.

**Billable Method:**

- Hourly time of staff for providing facilitation support to URBs. Costs for services rendered by local CBOs.
- Michaels to invoice for projected facilitation funds and place funds in escrow or separate account.
- Michaels to invoice a one-time starting balance invoice for forecasted facilitation funds needed for the first two months of program incentives to be placed in escrow or a separate account.
- Michaels to invoice monthly for forecasted funds needed for the following month.

Michaels to reimburse CASR at the end of Task 3 for any unused facilitation funds.

**Task 3**

## SCOPE OF WORK

### 3.6 Performance monitoring and recommendations reporting.

Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products on at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Yearly reports help communicate broad successes and future opportunity to improve.

#### Michaels will:

- Create reporting templates for monthly reports by August 1, 2022.
- Provide monthly written reports and set up follow up meeting after the end of each month starting one month after first incentive program launches.
  - The monthly report, which should be an addition to the EFR incentive and pilot monthly reports while still applicable, should include: Number of incentives by type of system replaced/installed, building and URB or market rate, % of incentives delivered to URBs, estimated potential lifetime greenhouse gas reductions for market-rate and under-resourced buildings, recommendations for changes to the program, program materials, or program processes to better achieve the City's desired outcomes, Michaels teams' contract spend, activities completed and upcoming activities, and outstanding issues or foreseen challenges.
- Provide a yearly report and presentation in conjunction with Task 2 and Task 3 work products in January 2024 on 2023 program results. Focus will be on presenting lessons learned and qualitative and quantitative results.

#### Billable Method:

Hourly time of staff preparing documents and reports, presenting and meetings.

1. Monthly reports
2. Yearly presentations (including findings from our concurrent evaluation from ask 1 and Task 2.
3. Yearly reports (including findings from our concurrent evaluations

## SCOPE OF WORK

The Stated schedule and timeline of activities may be altered or amended with written approval from the City's Project Manager. Michaels will be expected to communicate any modifications to affected subcontractors to accomplish the goal. The City's assigned Project Manager will be expected to communicate and modifications to affected City staff or City officials. Both Michaels and the City Project Manager will create a plan to communicate changes to affected participants and organizations.

# **EXHIBIT B**

## **BUDGET**

## Budget

Activity	Costs
<b>Total Costs for Task #1</b>	\$3,549,000.00
<b>Total Costs for Task #2</b>	\$7,513,531.00
<b>Total Costs for Task #3</b>	\$30,318,462.00
<b>Total Costs for Project</b>	<b>\$41,380,993.00</b>

## Hourly Rates (7/1/22-6/30/23)

<b>Andrea Salazar</b>	\$189
<b>Julie Blackwell</b>	\$189
<b>Isaac Thompson</b>	\$135
<b>Carl Samuelson</b>	\$162
<b>Jen Corcoran</b>	\$123
<b>Customer Support Center Representative</b>	\$61
<b>Facilitation Engineer</b>	\$135
<b>Contractor Manager</b>	\$162
<b>Shonda Biddle, CEE</b>	\$200
<b>Rebecca Olson, CEE</b>	\$230
<b>Emily McPherson, CEE</b>	\$135
<b>Isaac Smith, CEE</b>	\$135
<b>Molly Janis, CEE</b>	\$135
<b>Ben Schoenbauer, CEE</b>	\$220
<b>Taylor Smith, CEE</b>	\$145
<b>Kristen Funk, CEE</b>	\$230
<b>Program Coordinator, CEE</b>	\$120
<b>Heat Pump Technologies Trainer, CEE</b>	\$145
<b>Program Development Manager, CEE</b>	\$135
<b>LaSheita Sayer, ZoZo</b>	\$180
<b>Kathy Bone, ZoZo</b>	\$95
<b>Karen, ZoZo</b>	\$85
<b>Janiece Rendon, ZoZo</b>	\$60
<b>Hope Hoover, ZoZo</b>	\$75
<b>Ana Mostaccero, BCS</b>	\$125
<b>Henning Garcia, BCS</b>	\$95
<b>Teresa Lopez Galeano, BCS</b>	\$112

**Bill rates will escalate by 4% each year**

Contractor will submit additional staff and bill rates to the city in writing as they are added to the project team.

## Billing Cycle

Contractor will submit invoices to the City monthly on a time and materials basis for work

completed. Contractor will be issued payment 30 days after receipt of an acceptable invoice. Incentive funding and facilitation funding for community-based organizations will be invoiced 60 prior to anticipated need and held in a separate account, funds will be reviewed monthly to true up requested and spent funds.

# **EXHIBIT C**

## **PROOF OF CERTIFICATE OF INSURANCE**





ADDITIONAL REMARKS SCHEDULE

AGENCY <b>Robertson Ryan - La Crosse</b>		NAMED INSURED <b>Michaels Energy, Inc.</b> PO Box 2377 La Crosse, WI 54602-2377	
POLICY NUMBER <b>SEE PAGE 1</b>			
CARRIER <b>SEE PAGE 1</b>	NAIC CODE <b>SEE P 1</b>	EFFECTIVE DATE: <b>SEE PAGE 1</b>	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

**All Other States Workers Compensation Policy**  
**Hanover Insurance: Policy #WB1D756803 - Employers Liability Limits \$1,000,000/\$1,000,000/\$1,000,000**  
**National Specialty Insurance Company - NAIC #22608**