

CONTRACT AMENDMENT- CONTRACT CONTROL NO. HRCRS-201946988-00/ CITY ALFRESCO NO. 201946988

SCOPE OF WORK- ENERGY ASSISTANCE AND ENERGY AUDIT SERVICES.

OVERVIEW

Vendor Information	
Organization Name:	Energy Resource Center
Contact Person:	Charles Sanchez
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Contract Term: This is the third year of a three-year contract. The new agreement will commence on January 1, 2021 (after City Council approval in late April to early May 2021), and will expire on December 31, 2021. This is subject to the Executive Director's prior written authorization; all work shall be completed on any work in progress as of the expiration date and the term will extend until the work is completed or earlier termination by the Executive Director has been requested.

Contract Amount: \$225,000 for the third-year service agreement of 2021.

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

1. **Work Narrative/ Scope:** In the third year of the DOSP grant agreement, ERC proposes to conduct weatherization services in the form of comprehensive energy audits and home energy improvements in no fewer than 144 Denver area residences in order to lower energy consumption and energy bills for low to moderately income families within the Denver community. The DOSP funding will leverage existing Colorado Affordable

Residential Energy Program funding, as well as Weatherization Assistance Program funds in the Denver Metro area. A significant amount of savings in homes can be achieved through conservation education and Energy Resource Center plans to continue discussing and educating clients on best practices for operating all home mechanical systems in hopes of creating the most optimal energy savings, highest level of comfort, safety and most harmonious quality of life within the dwelling.

2. 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. Rooftop photovoltaic renewable energy array
- h. Heat pump technology heating systems
- i. 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 City with a monthly invoice in the required format and expected detail, including all supporting documentation required by DOSP and the City. DOSP and the City shall pay ERC on a Net 30 pay scale for services rendered and costs incurred under the agreement set fourth in the budget. Amounts billed shall not exceed the budget of \$225,000.00 as set forth by DOSP and the City. DOSP and the City are 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. All 2021 expenses must be billed no later than January 20, 2022 if ERC expects to be compensated for services rendered.

Location of Services**Physical Address:** *City Wide***Neighborhood(s) Served (See map): All Denver City and County 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** Coloradoan. We are focused on eliminating energy waste in Colorado's low-income housing stock and we've been advancing our mission to Colorado low-income households since 1979. ERC has a 40+ year track record of providing quality & professional energy savings services and is a Colorado staple in the field of residential energy efficiency. ERC currently has four offices (Loveland, Denver, Colorado Springs and Alamosa) and is a Weatherization Assistance Program (WAP) provider in 27 of Colorado's 63 counties. ERC has been a WAP provider in the Denver Metro area since 2014. Currently, Energy Resource Center collaborates with multiple entities to fulfill our mission and deliver our services to all Denver low-income residents. Some of ERC's collaborative partners are the U.S. Department of Energy (DOE) and the Colorado Energy Office (CEO) which provide the Weatherization Assistance Program (WAP) grant, Energy Outreach Colorado (EOC) which provides the Colorado Affordable Residential Energy (CARE) grant, Colorado Department of Human Services (DHS) which provides the low-Income Energy Assistance Program (LiHEAP) funding that pays for the Crises Intervention Program (CIP). ERC also partners with GRID Alternatives (GRID), Groundwork Denver, local governments and utility providers who help fund energy efficiency programs throughout our many territories.

ERC's multiple collaborations allow our nonprofit to fulfill our missions and deliver services to Denver residents through our three primary programs, WAP, CARE and CIP. The CIP program is

a heating emergency program run by DHS and administered by EOC. ERC provides no cost heating system repair and replacements for LEAP qualifying customers paid through Federal and State LIHEAP funding. The WAP program (Funded by the State of Colorado-CEO with a per unit average of \$9,247.00), 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 (average cost with all health and safety measures is typically a PUA of \$4,200.00). 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 appliance that have health and safety issues per DOE or local guidelines (whichever is 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. 10% of all WAP funded jobs have a Colorado State QA inspection for quality and subsequent guideline regulation. Measure packages include air sealing, attic, wall & 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 name a few.

Over ERC's 40+ years of delivering energy solutions for Colorado low-income community, ERC has consistently met or exceeded the DOE & CEO's budgetary performance expectations and goals, and in turn has successfully created partnerships that are eager to leverage dollars and stretch ERC's budget, allowing ERC to increase our services in numbers and measure services. This year it is anticipated that DOSP funding will be leveraged with more than \$9.6 Million dollars in Federal, State, Local and private funding to serve more than 1600 households across our service territory. More specifically, DOSP funding will leverage their dollars against more than 3.1 million to serve approximately 144 homes in the City and County of Denver.

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

Denver and surrounding areas are experiencing increasingly high rental and home purchase prices in all neighborhoods of the Metro area, and ERC is poised to maximize energy efficiency services, and through energy savings, financially impact the at or below 200% FPL citizens of the City. ERC recognizes that more than 28,000 Denver County citizens are financially eligible for

WAP services and a large portion of these same citizens are paying more than 14% of their monthly income on utility-based payments, when their financially stable counterparts are only paying out 3 to 4% of their monthly income on the same expenses. With this said, ERC will focus on all Denver area zip codes that typically have schools that are in low income defined focal points by Denver Public Schools (DPS), or, have housing that is 40+ years old and older, and are typically high energy users. These locations are likely to have never been upgraded with energy efficiency measures. Additionally, It's ERC's mission to focus on the over 65 and elderly population, people with disabilities as well as households with children under the age of 5.

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	Total average cost per household
225,000.00	144	144	144	\$1,504.50
Total Energy Savings: KWh	Total Energy Savings: Therms	Total Annual Dollars Savings per Household \$1/therm, \$.11 /KWh	Total Funds Leveraged for 2021	
139267.30	28094.4	\$87,564.96	\$3,124,324	

ERC will track the following:

- # of Audits:
- # households or units served:

- Dollars/ Funds Leveraged:
- Estimated kWh saved using the Xcel Calculator
- Estimated Therms saved using the Xcel calculator
- Annual energy dollar savings using the Xcel calculator
- Dollars savings for nonenergy benefits using the Xcel calculator
- Number of households/buildings receiving education

Key Activities and Deliverables:

Goal/Objective	Activities	Timeline of completion	Deliverables (<i>Please quantify your deliverables</i>)
Leveraged Dollars to further expand ERC’s Energy Efficiency Services under the WAP and CARE programs- not to exceed \$225,000.00	Air Leakage, Insulation, Baseload efficiency upgrades, Water measure upgrades, Heating system upgrades	1-1-2021 through 12-31-2021	100 WAP homes audited and weatherized 44 CARE homes audited and weatherized
Electrical Upgrades to Further ERC’s services	H&S attic rewire (knob and tube, splices, PV electrical panel upgrades	1-1-2021 Through 12-31-2021	0 homes

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 \$1563 of direct costs per job under our WAP contract, and an average of 75% of total operations cost under our CARE program grant. In 2021, DOSP allocated \$225,000.00 in grant dollars to ERC which represents approximately 7.5% of ERC’s existing resources to deliver nearly identical services in Denver. The 7.5% of Denver’s resources equates to just under 3.9% of ERC’s total overall budget. 3.9% of ERC’s operating costs by category have been allocated to this program.

Staff Salaries & Fringe - (Please provide a narrative) Please see the Fringe and Salary budget support sheets for explanation.	\$152,084.49
Consultants - (Please provide a narrative)-NA	\$0.00
Supplies/Materials - (Please provide a narrative)- Please see description in the support sheet above.	\$65,607.84
Operating Expenses - (Please provide a narrative) All necessary services beyond materials. Please see the operations expense tables to support the narrative expectation.	\$7,306.56
Other - (Please provide a narrative)-NA	\$0.00
Total:	\$224,998.89

A. Operations Costs

Operations Costs		
Item	Computation	Cost
Operations (Materials, Subcontractor costs)		\$65,607.84
Operations Support (tools, Equipment, Vehicles)		\$1,798.56
Insurance	3.9% of agency-wide operation costs	\$2,930.40
Financial Audit		\$292.32
Marketing		\$0.00
Administrative		\$2,285.28
Total Operations Costs		\$72,914.40

A.1 Operations Explanation

Operations (Materials, Subcontractor costs)	Materials used to install all efficiency measures, sub-contractor costs for any repairs and solar installation
Operations Support (tools, Equipment, Vehicles)	3.9% allocated of vehicle costs, tools, fuel, maintenance, office supplies needed to support weatherization services.
Insurance	3.9% allocated of CFL, auto, Excess, Employer's Liability and workers compensation
Financial Audit	3.9% allocated of total 3rd party audit costs.
Marketing	3.9% allocated of expense to advertise, market ERC programs were removed to meet the \$225,000.00 budget. CS
Administrative	3.9% allocated of ERC's administrative expenses such as employee recruitment, as well as indirect overhead.

B. Fringe Benefits- Based on actual known formula and common benefit expenses.

ERC average rate for fringe benefits applied across all employees	% of Salary	Salary	Estimated fringe cost to be billed to DOSP over the contract
Employers FICA	7.65%	\$121,211.43	\$9,272.67
Health Insurance	17.68%	\$121,211.43	\$21,430.18
401 (K) Match	2.00%	\$121,211.43	\$2,424.23
Workers Compensation	5.00%	\$121,211.43	\$6,060.57
Unemployment Compensation	1.00%	\$121,211.43	\$1,212.11

Total Fringe Benefits-ERC Personnel			\$40,399.77
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Staff Salaries

At \$225,000.00

Position	Salary	% time on project	Estimated Cost to be billed to DOSP
Regional Program Director	\$103,700.00	1.11%	\$1,151.07
Prepares Contract Documents, provides contract oversight.			
Local Metro Director	\$74,202.00	7.25 %	\$5,379.65
Provides performance management, invoicing and reporting.			
Weatherization Project Manager	\$64,001.00	7.5%	\$4,800.08
Supervises a team of four auditors to create work orders that meet the necessary savings to investment ratio.			
HVAC Manager	\$71,387.00	7.5%	\$5,354.03
Supervises four technicians to provide service and installation of HVAC equipment. Holds Master License.			
Audit/ Inspector	\$197,932.00	7.5%	\$14,844.90
(4) audit and inspectors that create work orders and inspect those work orders as well as work done by install			
HVAC Technicians	\$178,483.00	7.5%	\$13,386.23
(4) Assists in repair and installation of HVAC systems.			
Energy Efficiency Team Crew Leaders	\$178,524.00	7.5%	\$13,389.30
(4) Supervise crews of 2 energy efficiency technicians to install efficiency measures.			
Energy Efficiency Technicians	\$284,312.40	7.5%	\$21,323.43
(8) Performs installation of energy efficiency measures.			
Scheduling Coordinator	\$57,844.00	7.5%	\$4,338.30
Contact's clients to schedule audits, HVAC work and energy efficiency teams.			
Intake Specialist	\$131,059.00	7.5%	\$9,829.43
(3) Coordinate client's management systems to support data collection and conducts intake/ outreach activities.			
Purchasing Manager	\$59,987.00	7.5%	\$4,499.03
Manages purchases and inventory.			

Total Personnel Cost to DOSP			\$111,684.72

Contract Requirements – General (Depends on your program requirements, please list expectations).

ERC requests a Net-30 pay scale from the time services have been rendered and the invoice has been submitted. This request is to assure jobs can also be submitted as financially complete to the other program grant proprietor(s) so ERC can get full payment on all completed projects.

Contract Requirements – Trainings (Depends on your program requirements, please list expectations.)

ERC field staff is highly experienced and fully committed to ERC’s mission. Professional development through multiple training opportunities is expected yearly and management is focused on all staff meeting a 5% minimum training focus requirement. Multiple ERC field staff hold certificates in the field to which their job is focused; which includes: **HVAC Services**- NATE certifications, Universal 608 refrigerant certifications, Denver HVAC Residential supervisor certifications to name a few, **Energy Efficiency Services**- Building Performance Institute/ Quality Assurance License (QA), Energy Auditor certification (EA) Air Leakage Professional (AL) certificates to name a few more.

Contract Requirements – Data Tracking/Reports (Format, occurrence, deadlines, etc.)

ERC currently uses data collection throughout the weatherization processes (client management, auditing, inventory, communication, reporting and evaluation). We fully support the goals of Denver’s Salesforce CMS system.

ERC will provide quarterly reports with the following information:

- # of Audits:
- # households or units served:
- Dollars/ Funds Leveraged:
- Estimated kWh saved using the Xcel Calculator
- Estimated Therms saved using the Xcel calculator
- Annual energy dollar savings using the Xcel calculator

- Dollars savings for nonenergy benefits using the Xcel calculator
- Number of households/buildings receiving education

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.
- 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.
- Occasionally, the Denver Office of Nonprofit Engagement may request cooperation with topical evaluation projects. Contractors are expected to provide data and information to support these evaluation projects which are intended to improve the quality of services or to meet data requirements used for accountability.