

AMENDATORY AGREEMENT

THIS AMENDATORY AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (hereinafter referred to as the “City”), and **ENERGY RESOURCE CENTER**, a Colorado non-profit organization, with its principal place of business located at 114 W. Rio Grande Street, Colorado Springs, CO 80903 (the “Contractor”), jointly “the parties” and individually a “party.” (“Contractor”), who may individually be called a “Party” and collectively the “Parties.”

The City and Contractor entered into an Agreement dated March 12, 2019 to provide services outlined in the scope of work (the “Agreement”). The Parties now wish to extend the term of the Agreement for an additional one-year term and make certain other modifications to the Agreement as set forth below.

The Parties agree as follows:

1. Effective upon execution, all references to Exhibit A in the existing Agreement shall be amended to read Exhibits A and A-1, as applicable. Exhibit A-1 is attached.

2. Paragraph 3 of the Agreement, entitled “**TERM**” is amended by deleting and replacing it with the following:

“**3. TERM**: The Agreement will commence on **January 1, 2019** and will expire on **December 31, 2020** (the “Term”). Subject to the Executive Director’s prior written authorization, the Contractor shall complete any work in progress as of the expiration date and the Term will extend until the work is completed or earlier terminated by the Executive Director.”

3. Paragraph 4(d)(i) of the Agreement, entitled “**Maximum Contract Amount**” is amended by deleting and replacing it with the following:

“**d. Maximum Contract Amount:**

- (i) Notwithstanding any other provision of the Agreement, the City’s maximum payment obligation will not exceed **Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00)** (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 Contractor beyond that specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Contractor’s risk and without authorization under the Agreement.”

4. Except as amended here, the Agreement is affirmed and ratified in each and every particular.

5. This Amendatory Agreement is not 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.

End.

Signature pages and Exhibits follow this page.

Exhibit List

Exhibit A-1

Contract Control Number: HRCRS-201952074-01 / ALF 201946988-01
Contractor Name: ENERGY RESOURCE CENTER

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

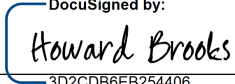
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By:

By:

Contract Control Number:
Contractor Name:

HRCRS-201952074-01 / ALF 201946988-01
ENERGY RESOURCE CENTER

By:  _____
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Howard Brooks
Name: _____
(please print)

CEO
Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Exhibit A-1**Statement of Qualifications**

Energy Resource Center (ERC) has delivered the Weatherization Assistance Program to low-income Colorado households since 1979. With more than 35 years of experience in providing weatherization services, ERC has become a model for efficiency, quality, and professionalism in the field of residential energy efficiency.

ERC achieves the mission *“to improve home energy efficiency, conserve energy, promote health, increase comfort and expand quality of life for every Coloradoan”* by utilizing a holistic “whole-house” approach that emphasizes safety, cost-effectiveness, and occupant education. To fulfill this mission, ERC collaborates with partners such as the U.S. Department of Energy (DOE), Colorado Department of Human Services, LEAP’s Crisis Intervention Program (CIP), Groundwork Denver, Energy Outreach Colorado (EOC), local governments and utility companies interested in funding low-income energy efficiency. These collaborations align with ERC’s mission and broaden our ability to support low-income families with a safe, comfortable and efficient home.

ERC currently delivers services to Denver residents through two primary programs: the Weatherization Assistance Program (WAP) and the Colorado Affordable Residential Energy program (CARE). ERC has been a WAP provider for more than 40 years in the State of Colorado, and in the Denver Metro area since 2014. Through WAP, ERC provides comprehensive weatherization services to households at or below 200% of the Federal Poverty Level (FPL). WAP services are extensive and include an in-depth site-specific energy audit and energy modeling to produce a prioritized list of cost-effective efficiency measures as well as health and safety repairs, per DOE guidelines. All work is performed to the DOE’s Standard Work Specifications and inspected by a BPI-certified Quality Control Inspector. Measure packages can include air sealing, attic/wall/sub-space insulation, heating system replacement, refrigerator replacement, lighting upgrades, water conservation measures. Starting in 2017, rooftop photovoltaic renewable energy systems have been incorporated into the program for Xcel Energy customers in owner-occupied units. The average cost to serve a home with WAP is approximately \$9,247, which includes approximately 18% of homes receiving a rooftop solar measure.

The CARE program is funded through Energy Outreach Colorado and Xcel Energy low-income demand-side management rebates. Households at or below 80% of the Area Median Income (AMI) are eligible for CARE and the eligibility requirements are less stringent than WAP. CARE uses a streamlined generic priority list approach to determine a package of cost-effective measures for each home. The priority list is based on Xcel’s deemed savings and rebates available for each measure. The primary focus is on energy savings and less on ancillary repairs; however, basic safety testing is provided, and any repairs needed due to tightening the home will be provided or referred to partner agencies. The average cost of each CARE project is expected to be \$3,000 per home.

For over 40 years, ERC has been successful in delivering cost-effective and cost-efficient energy solutions to Colorado families. ERC has consistently met Colorado Energy Office budgetary, performance, and quality goals. Additionally, ERC has experience in identifying and implementing leveraging opportunities with like-minded community partners and funders. It is difficult to gauge the impact ERC has had in the past 40 years; however, in fiscal year 2018-19, it

is anticipated that DOSP funds will be leveraged with more than \$9 million in Federal, State, local, and private funding to serve more than 1,500 households across Colorado. Specifically, in the City and County of Denver, ERC will leverage DOSP funds with more than \$2 million in other funding to serve at least 364 homes with in-depth energy efficiency services.

In order to track the impact of its work and ensure cost-effectiveness, ERC has excellent tools and experience at hand to collect and analyze numerous types of data. Utility data release forms are collected from each client and analyzed as part of the intake process. Client demographic information is collected and reported to funders, as required. Comprehensive and detailed measure costs are tracked and reported to funders.

Delivering the highest quality product with the biggest energy impact to clients is a top priority for ERC. As a provider of the WAP, ERC is subject to numerous quality control measures in both field work and administrative processes. At minimum, 5-10% of all weatherization jobs are physically inspected by Colorado Energy Office personnel. Additionally, 5-10% of all client files are inspected for accuracy and completeness. However, 100% of all jobs are independently inspected by an in-house BPI-certified inspector (QCI). As a steward of taxpayer funds, ERC has incorporated numerous internal controls and quality assurance measures to ensure efficient and effective delivery of service.

To fulfill its mission, ERC has a highly experienced and committed staff. Training and professional development are a priority. Field staff spend a minimum of 5% of their time in training. Many employees have over 15 years' experience in their field of expertise. After work is complete in a home, clients regularly comment on the professionalism, kindness, and respect of ERC staff (See Attachment 19 for Client Testimonials).

Scope of Services (RFP Section B.1)

B.1.a. Goals of Residential Energy Services

ERC proposes to conduct comprehensive weatherization audits and improvements in a minimum of 364 homes in order to lower energy consumption and energy bills for low-income residents in the Denver community. DOSP funding will leverage existing Weatherization Assistance Program funds, as well as CARE program funding. Qualifying households will receive a comprehensive energy audit which will identify cost-effective measures to be installed by in-house crews such as:

B.1.a.i. Measures

- Air leakage reduction
- Building shell insulation
- Lighting upgrades
- Pipe and duct insulation
- Furnace/water heater repair or replacement
- Refrigerator replacement
- **Rooftop photovoltaic renewable energy systems**
- Health and safety measures, as necessary and required:
 - smoke alarms
 - carbon monoxide alarms
 - plumbing/electrical repairs associated with efficiency measures
 - indoor air quality improvements

B.1.a.ii. Conservation Education

ERC acknowledges that while efficiency upgrades provide a large portion of energy savings, a significant amount of savings in a home can be achieved through conservation education. As part of each energy audit, ERC auditors engage homeowners in the audit and discuss best practices for operating the systems of the home, safety precautions, and daily practices to save energy. The clients are given booklets covering energy conservation techniques and are encouraged to read through and then share with other family members, friends, and neighbors. ERC ensures that each client understands the direct connection between saving energy, saving money and increasing comfort, safety and quality of life.

B.1.a.iii. Timeline, Total Households, Leveraging

During the contract year January 1, 2020 through December 31, 2020, ERC intends to outreach to at least 4,000 households in Denver through targeted and broad methods. Methods include direct mailings and calls to LEAP recipients, outreach to community groups, on-site outreach in vulnerable communities, media presence, and outreach in partnership with Xcel Energy (direct mailings or bill inserts to low-income or energy-burdened households).

In order to provide WAP services to 243 households, DOSP funds will be leveraged with approximately \$2.25 million of funding for the WAP from sources such as the Department of Energy, LEAP, and Colorado Energy Office. ERC has also partnered with EOC to deliver the CARE program. \$87,500 in funding from EOC as well as an anticipated \$150,000 from Xcel Energy rebates is anticipated to provide energy efficiency services to 60 households (with an average cost of \$3,600 per unit). Total impact is expected to be 304 households served in calendar year 2020. Leveraging in this manner capitalizes on ERC's existing capacity of highly trained personnel, equipment and vehicles, bulk purchasing, and funding flexibility. In sum, leveraging the proposed \$450,000 of DOSP funding with WAP and CARE funds allows ERC to serve an additional 60 homes (41 WAP, 19 CARE) in the City and County of Denver.

B.1.a.iv. Need for Services

Denver is experiencing astronomical increases in home prices, rental rates and housing costs across the board. ERC recognizes that in this environment, every opportunity to support affordability needs to be capitalized on. Energy costs disproportionately affect the poor; poor households often pay more than 14% of their income, compared to 3% or less in median and higher income households. Based on U.S. census data, more than 28,500 households within Denver County are eligible to receive service through the WAP. Additionally, as wage increases for the working class continue to trail behind inflation and as the "silver tsunami" of retiring baby boomers builds, more and more Denver households will become eligible. With the inclusion of homes qualifying through the CARE program, there will be many homes in need of ERC's services for years to come.

In order to maximize impact and energy cost savings in each project, ERC plans to prioritize service to housing stock that is more than 40 years old and to households that can be identified as high energy users. Additionally, per WAP guidelines, ERC will prioritize service to the following demographic groups: Households containing persons with disabilities, elderly residents, and/or children under the age of 5. ERC will focus marketing and outreach to programs serving seniors, schools in low income defined areas, and partnering with community programs.

B.1.a.v. Energy Savings Evaluations

The DOE requires that all homes served with WAP be evaluated using electronic audit software. ERC follows this regulation by using the DOE-approved National Energy Audit Tool (NEAT) for site built structures with 4 units or less, and the Manufactured Home Energy Audit (MHEA) for manufactured homes. The software provides a listing of the most cost effective measures that can be installed in the home and also calculates the average payback and financial savings. All measures with a savings-to-investment ratio of at least 1:1 must be completed in the home. These measures can then be applied to the Deemed Energy Savings calculations to provide data on reduced therms and kilowatt hours. Data collection is accomplished using the State of Colorado provided database exclusively for the weatherization program.

The CARE program uses a generic priority list that prioritizes measures based on Xcel Energy's deemed savings and available rebates. All measures are estimated to have a payback of less than 10 years.

B.1.b.i. Outreach

ERC is very well versed in conducting outreach to LEAP recipients. LEAP eligibility is a pre-qualifier for WAP. Mailings and phone calls to LEAP recipients have been standard outreach practices for many years. Through a data sharing agreement, the Colorado Energy Office provides a weekly list of LEAP recipients throughout the heating (LEAP) season.

B.1.b.ii. Energy Audits

ERC will conduct energy audits using highly trained in-house energy auditors. Based on energy modeling software results (NEAT, MHEA), and/or the CARE generic priority list, ERC plans to install major/minor energy efficiency measures in homes that meet the 1:1 ROI for energy savings or are a health and safety risk. ERC has in its employ highly skilled, experienced and BPI-certified technicians.

B.1.b.iii. Smoke and Carbon Monoxide Alarms

ERC will conduct a health and safety inspection of 100% of homes served with this proposal. All homes that have missing or inadequate smoke detectors and CO alarms will be provided with an adequate number of devices, per building code. All installations will be installed and/or tested by ERC technicians.

B.1.b.iv. Partners for Upgrades

ERC provides a turn-key solution for low-income home energy efficiency. Utilizing highly trained and professional in-house staff we will provide client engagement and acquisition, income verification, energy audits, safety repairs, energy upgrades and quality assurance inspections.

B.1.b.v. Partners for Education and Behavior Change

Client energy education is a key measure provided in ERC's model for service delivery. ERC has implemented best-practices for client behavior change techniques, as developed by experts at the Colorado State University Center for Energy and Behavior, as well as materials developed by behavior change staff at Energy Outreach Colorado. ERC energy auditors have received extensive training by CSU and EOC staff.

ERC's education program is based on the following principles and methodologies:

- ERC considers the families served as partners in the weatherization process and strive to employ them to maximize their energy savings.
- Education is reinforced through every stage of the weatherization process (intake, scheduling, auditing, furnace, weatherization, and inspections). ERC puts special emphasis on education at the auditing and inspecting stage.
- ERC auditors use a coaching method to walk clients through the energy audit process.
- Families are encouraged to join in during the actual audit, demonstrating the “whole house system”. ERC asks questions and provide answers that open dialogue with family members on how their behavior impacts energy consumption.
- ERC auditors use many methods of communication through verbal, written, and visual aids to reinforce the behavior changes that will make the largest impact on reducing a family’s energy use and bills (appliance use and maintenance, how home systems perform, and health and safety issues).

B.1.b.vi. Data Entry and Reporting

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

B.1.b.vii. Table of Outputs

Total Dollars Requested	Total number of households served	Total number of households: Audits	Total number of households: Energy Efficiency Upgrades	Total average cost per household
\$450,000	304	304	304	\$1,480
Total Energy Savings: kWh	Total energy savings: Therms	Total Annual dollar savings for households. (1\$/therm, \$.11/kWh)	Total Funds Leveraged	
1,011,875	82,673	\$193,979	\$2,463,021	

Budget Narrative

SUMMARY: This proposal is built to mirror two existing, highly success programs that ERC already operates in Denver. In order to leverage directly against these existing programs, ERC proposes a streamlined approach to budgeting and invoicing. For Denver homes served with the WAP, a leveraged contribution of DOSP funds will offset \$1,563 of costs per job. For Denver homes served with the CARE Program, an average of 33% of the cost will be allocated to DOSP. This proposal for \$448,071 will expand the impacts of CARE and WAP to serve an additional 60 households in 2020. The simplified budget detail provided below is based on established costs for implementing the Weatherization Assistance Program for the past 40 years.

ALLOCATION METHODOLOGY: The requested \$448,071 represents approximately 12.5% of ERC's existing resources to deliver nearly identical services in Denver. 12.5% of Denver resources equates to 3.9% of ERC's total budget. To maintain flexibility, ERC does not maintain an independent, non-staffing budget for each office. As with labor costs, 3.9% of ERC's operating costs by category have been allocated to this program. Contracts for WAP and CARE can be provided upon request for review.

Please complete the fields below. Some formulas are embedded for convenience; complete the yellow fields for easiest use. It is the responsibility of the proposer to ensure accuracy of all fields and formulas.

A. Personnel: List each position by title, as outlined in the Cost Allocation Plan (Budget) Spreadsheet. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization and match the figures provided in the Budget Spreadsheet.

Name/Position Computation Cost

	Salary	% of time spent on project	Estimated Cost to be billed to DOSP
Deputy Director	\$ 105,700	12.55%	\$ 13,269.38
<i>Provides contract implementation oversight, performance management, oversees invoicing and reporting.</i>			
Insulation Coordinator	\$ 55,036.80	12.55%	\$ 6,909.22
<i>Supervises four in-house insulation and air sealing crews.</i>			
HVAC Coordinator	\$ 64,688.00	12.55%	\$ 8,120.81
<i>Supervises five technicians to provide service, repair and installation of HVAC equipment, carries master</i>			
Audit/Inspection Coordinator	\$ 69,220.00	12.55%	\$ 8,689.75
<i>Supervises a team of four auditors to provide energy audits, creation of work orders creation and quality assurance</i>			
Scheduling Coordinator	\$ 55,635.00	12.55%	\$ 6,984.31
<i>Contacts clients to schedule audits, HVAC work and insulation work.</i>			
Intake Specialists (x3)	\$ 150,640.00	12.55%	\$ 18,911.07
<i>Coordinates the client management system, supports data collection, and conducts client intake/ outreach activities.</i>			

Purchasing/Inventory Specialist	\$ 57,548.00	12.55%	\$ 7,224.47
<i>Manages purchasing and inventory.</i>			

Auditors/Inspectors (x5)	\$ 212,550.00	12.55%	\$ 26,683.13
<i>Conducts field audits, inspects work completed by auditors and weatherization technicians.</i>			

HVAC Technicians (x5)	\$ 234,750.00	12.55%	\$ 29,470.08
<i>Assists in repairs and installation of furnaces.</i>			

Insulation Crew Chiefs (x6)	\$ 247,000	12.55%	\$ 31,007.92
<i>Supervises crews of 2 weatherization technicians to install efficiency measures.</i>			

Insulation Technicians (x9)	\$ 293,000.00	12.55%	\$ 36,782.68
<i>Performs installation of energy efficiency measures.</i>			

TOTAL PERSONNEL COST: \$ 194,053

B. Fringe Benefits: Fringe benefits should be based on actual known costs or an established formula. Fringe benefits expenses are only for the personnel listed in budget category (A) and only for the percentage of time devoted to the project as described above and in the Budget Spreadsheet. Below is a list of common benefit expenses. Include all benefits your agency provides employees if more are offered than those listed below.

Name/Position Computation Cost

<i>All Project Employees - ERC uses an average rate for fringe benefits that can be applied across all employees.</i>	Percentage of Salary	Salary	Estimated Fringe Cost to be Billed to DOSP
Employers FICA	7.65%	\$ 194,053.00	\$ 14,845.05
Health Insurance	17.68%	\$ 194,053.00	\$ 34,315.39
401 (k) match	2.00%	\$ 194,053.00	\$ 3,881.06
Workers' Compensation	5.00%	\$ 194,053.00	\$ 9,702.65
Unemployment Compensation	1.00%	\$ 194,053.00	\$ 1,940.53
			<u>\$ 64,684.69</u>

TOTAL FRINGE BENEFITS: \$ 64,684.69

C. Operations Costs

Item	Computation	Cost
Operations (Materials, Sub-Contract	3.9% of agency-wide operations costs (see explanation above).	\$ 165,842.91
Operations Support (Tools, Equipme		\$ 4,545.48
Insurance		\$ 7,408.76
Financial Audit		\$ 737.16
Marketing		\$ 6,950.80
Administrative		\$ 5,777.77

Item	Description
Operations (Materials, repairs)	Materials used to install efficiency measures, sub-contractor costs for repairs and solar installations.
Operations Support (Tools, Equipme	3.9% allocated of vehicle costs, tools, fuel, maintenance, office supplies needed to support weatherization work.
Insurance	3.9% allocated of CGL, Auto, Excess, WC, and Employer's Liability premiums.
Financial Audit	3.9% allocated of total 3rd-party audit costs.
Marketing	3.9% allocated of expense to advertise, market, and otherwise promote ERC program for the sole purpose of engaging clientele.
Administrative	3.9% allocated of ERC's administrative expenses such as employee recruitment, and indirect overhead costs.

TOTAL SUPPLIES COSTS: \$ 191,262.88

Total Amount Requested from
DOSP: \$ 450,000.00