

**Exhibit A  
SCOPE OF WORK**

**TECHNICAL TASK LIST**

<b>Task #</b>	<b>CPR</b>	<b>Task Name</b>
<b>1</b>	<b>N/A</b>	<b>ADMINISTRATION</b>
1.1		Attend Kick-off Meeting
1.2		CPR Meetings
1.3		Final Meeting
1.4	x	Monthly Progress Reports
1.5		Test Plans, Technical Reports and Interim Deliverables
1.6	x	Final Report
1.7		Identify and Obtain Leverage Funds
1.8		Identify and Obtain Required Permits and CEQA Review
1.9		Electronic File Format
1.10		Prevailing Wage Determinations and Weekly Certified Payrolls
1.11		Historic Preservation Consultation
1.12		Waste Management Plan
<b>2</b>		<b>PROGRAM DELIVERY</b>
2.1		Program Management
2.2		Program Administration
2.3		Workforce Development
2.4		Participant Recruitment
2.5		Retrofit Installations
2.6		Quality Assurance
2.7	x	Verification of Energy Savings
2.8	x	Program Reporting
2.9		Lasting Market Transformation
N-1	N/A	Technology Transfer Activities
N	N/A	Production Readiness Plan

**KEY NAME LIST**

<b>Task #</b>	<b>Key Personnel</b>	<b>Key Subcontractor(s)</b>	<b>Key Partner(s)</b>
<b>1</b>			
1.1	ML CF KD		B
1.2	ML KD PT CH		B
1.3	ML KD PT CH		B
1.4	BB ML KD PT CH		
1.5	BB ML KD PT CH AR, NW		

<b>Task #</b>	<b>Key Personnel</b>	<b>Key Subcontractor(s)</b>	<b>Key Partner(s)</b>
1.6	BB ML, KD, PT, CH, AR, NW		B
1.7	GN, ML, KD, CH		B
1.8	ML, KD		B
1.9	ML, KD, AR, NW		
<b>2</b>			
2.1	ML, KD, PT, CH, AR, NW		B
2.2	ML, KD, PT, CH, AR, NW		B
2.3	ML, KD, PT, CH		B
2.4	ML, KD, PT, CH		
2.5	ML, KD, PT, CH		
2.6	BB, ML, KD		B, OECs, HRs
2.7	BB, ML, KD, PT, AR, NW		B, OECs, HRs
2.8	BB, ML, KD, PT, AR, NW		B, OECs, HRs
2.9	ML, KD, PT, CH, AR, NW		B, OECs, HRs

CHF – CRHMFA Homebuyers Fund, Inc.

GN - Greg Norton    CF - Craig Ferguson

KD – Karl Dolk      PT – Peter Tran

AR – Anthony Rahill    BB – Beverly Bales    NW – Nick Walter

ML – Mark Lowder

CH – Carolyn Holmes

Key Partners

B - Beutler Corporation Personnel

Other Partners

BPC – Building Performance Contractors

HRs – HERS Raters

CBPCA – California Building Performance Contractors Association

**ACRONYMS**

*Specific terms and acronyms used throughout this work statement are defined as follows:*

<b>Acronym</b>	<b>Definition</b>
Agreement	Contract No. 400-09-016 between California Energy Commission and CRHMFA Homebuyers Fund
ARRA	American Recovery and Reinvestment Act of 2009
BPI	Building Performance Institute
BTU	British Thermal Unit
CalBO	California Building Officials
CBPCA	California Building Performance Contractor's Association

<b>Acronym</b>	<b>Definition</b>
CCM	Commission Contract Manager
CE	Continuing Education
CEO	Chief Executive Officer
CPR	Critical Project Review
CHF	CRHMFA Homebuyers Fund
CHO	County Housing Office
CPA	Certified Public Accountant
CPR	Critical Program Review
CPUC	California Public Utilities Commission
CWIB	California Workforce Investment Board
DEER	<i>Database for Energy Efficient Resources</i>
DOE	U. S. Department of Energy
DRE	Department of Real Estate
EDA	Economically Distressed Area
EDD	Employment Development Department
EECBG	Energy Efficiency Community Block Grant
EEM	Energy Efficient Measures
EIA	Energy Information Administration
Energy Upgrade California	The Energy Commission's Statewide ARRA Branding Effort.
FNMA	Federal National Mortgage Association
FHA	Federal Housing Administration
GHG	Greenhouse Gas
GWh	<i>Gigawatt Hour</i>
HERS	Home Energy Rating System
HPwES	Home Performance with ENERGY STAR
HUD	US Department of Housing and Urban Development
HVAC	Heating Ventilation and Air Conditioning
IAPMO	International Association of Mechanical and Plumbing Officials
JPA	Joint Powers Authority
LIHEAP	Low-Income Home Energy Assistance Program
LLC	Limited Liability Corporation
LMID	Labor Market Information Division
M&V	Measurement and Verification
MBA	Master of Business Administration
MED	Marketing and Education Director
MIRACL	Moderate Income Retrofit and Conservation Loan
MIST	Modern Income Sustainable Technology
MORE	Matching Opportunities, Resources and Employment
MOU	Memorandum of Understanding
MU	MIST Underwriter
OMB	U.S. Office of Management and Budget
PA	Program Administrator
PAC	Project Advisory Committee

<b>Acronym</b>	<b>Definition</b>
PDF	Portable Document Format
PEARL	Professional Electrical Apparatus Recyclers League
RCRC	Regional Council of Rural Counties
REO	Real Estate Owned
RFP	Request for Proposal
SEP	DOE's State Energy Program funded through ARRA
UCC.1	Uniform Commercial Code (Financing Statement)
WAP	Weatherization Assistance Program
WDD	Workforce Development Director
WIB	Workforce Investment Board

## ***DEFINITIONS***

The following definitions apply throughout this Agreement:

**“Contractor”** means the entity that receives funding directly from the Energy Commission under this Agreement. The Contractor is defined as a “subrecipient” under Federal law (see Office of Management and Budget (OMB) Circular A-133, Subpart A, Section .105 and Subpart B, Section .210).

**“Subaward”** means an award made by the Contractor to a subawardee or vendor.

**“Subawardee”** means any entity other than a vendor that receives funding from the Contractor to carry out or support any portion of this Agreement. As clarified in DOE's SEP Notice 10-004A, effective April 7, 2010, individual homeowners who receive funding through an SEP financing program are not regarded as ARRA recipients or subrecipients under applicable guidance issued by the OMB, and are not responsible for complying with requirements under the Davis-Bacon Act. Accordingly, Subawardee, as used in this Agreement, does not mean an individual homeowner who receives funding through an SEP financing program.

**“Subcontractor”** means a subawardee or vendor.

**“Vendor”** means any entity defined as such by OMB Circular A-133 (see Subpart A, Section .105 and Subpart B, Section .210). Vendor does not include contractors or other equipment or service providers hired directly by an individual homeowner that receives funding through an SEP financing program when that homeowner is not regarded as an ARRA recipient or subrecipient in accordance with DOE's SEP Notice 10-004A.

## **Problem Statement**

CHF<sup>1</sup> member counties suffer from high rates of unemployment and a shortage of effective programs to address improvement of the energy efficiency of residences owned by moderate income citizens in rural counties. The Moderate Income Sustainable Technology (MIST) program is designed to create jobs and stimulate the

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<sup>1</sup> CHF is the CRHMFA (formerly known as the California Rural Home Mortgage Finance Authority) Homebuyers Fund (sometimes called the California Homebuyers Fund). CHF is a Joint Powers Authority. CHF will administer the MIST program, which will serve all counties who are regular members of CHF and all cities and counties who are associate members of CHF during the term of this Agreement

economy through a comprehensive program to implement whole-house energy retrofits in existing residential buildings.

### **Goals and Objectives of the Agreement**

The goal of this Agreement is to:

1. Create a sustainable, self-replenishing source of loans and grants for comprehensive, Third Tier energy efficiency retrofits for rural Californian homeowners in the low-to-moderate income segments (60% to 160% of Area Median Income, as determined by CHF staff); and
2. Create jobs and enhance the economy in the member counties of CHF, most of which have relatively high rates of unemployment. Beutler Corporation, a partner in the MIST program, estimates that total contracting work will be approximately \$43 million, and total job creation/preservation under ARRA guidelines will be approximately 493 newly created jobs. These jobs should mostly be for local construction, energy efficiency measure installation, and quality assurance verification.

The goal of the program contemplated in this Agreement is to provide loans to low or moderate income individual homeowners, the proceeds of which will be used to perform energy efficient residential retrofit improvements. Contractor will make good-faith efforts to enforce the loan obligations in the event of borrower default. However, the Contractor will not be required to replenish or replace any funds awarded pursuant to this Agreement that are lost due to loan defaults. Losses due to defaults by borrowers are anticipated and are an allowable cost under this Agreement, but Contractor shall take commercially reasonable efforts to minimize such losses to the extent such efforts are economically feasible. This recognition is consistent with the clarification on loan defaults provided in DOE's SEP Notice 10-008B, effective August 10, 2010. No loan loss reserve shall be required under this Agreement

The objectives of this Agreement are:

1. To install comprehensive Third Tier energy efficiency measures in existing moderate income housing stock, approximately 2,463 units in the ARRA program term;
2. To significantly increase the awareness and use of the US Department of Housing and Urban Development (HUD) Rehabilitation Program (203(k) program) and to provide a new revolving loan funding mechanism (Moderate Income Retrofit and Conservation Loan (MIRACL) program) for comprehensive energy efficiency retrofits for moderate income homeowners;
3. To increase the human knowledge infrastructure necessary for more energy efficiency loans, including Energy Efficient Measures (EEM), technical training, energy mortgage origination training, and general program awareness; and
4. To demonstrate the viability of comprehensive residential energy efficiency retrofits at the time of property sale.

## **TASK 1.0 ADMINISTRATION**

### **MEETINGS**

#### **Task 1.1 Attend Kick-off Meeting**

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement.

#### **The Contractor shall:**

- Attend a “kick-off” meeting with the Commission Contract Manager, the Contracts Officer, and a representative of the Accounting Office. The Contractor shall bring their Project Manager, Contracts Administrator, Accounting Officer, and others designated by the Commission Contract Manager to this meeting. The administrative and technical aspects of this Agreement will be discussed at the meeting. Prior to the kick-off meeting, the Commission Contract Manager will provide an agenda to all potential meeting participants.

The administrative portion of the meeting shall include, but not be limited to, a discussion of the following:

- Terms and conditions of the Agreement
- CPRs (Task 1.2), including a meeting and reports schedule with related expected deliverables
- Leverage fund documentation (Task 1.7)
- Permit documentation (Task 1.8)
- Training on ARRA SEP reporting requirements
- Compliance with the Davis-Bacon Act
- Compliance with the National Historic Preservation Act requirements
- Waste Management Plan requirements
- Coordination with the Energy Commission’s Statewide ARRA branding effort – Energy Upgrade California

The technical portion of the meeting shall include, but not be limited to, the following:

- The Commission Contract Manager’s expectations for accomplishing tasks described in the Scope of Work;
- An updated Schedule of Deliverables
- An updated Gantt Chart
- Progress Reports (Task 1.4)
- Technical Deliverables (Task 1.5)
- Final Report (Task 1.6)

The Commission Contract Manager shall designate the date and location of this meeting.

#### **Contractor Deliverables:**

- An Updated Schedule of Deliverables
- An Updated Gantt Chart

- An Updated List of Leverage Funds
- An Updated List of Permits

**Commission Contract Manager Deliverables:**

- Final Report Instructions
- Commission Contract Manager Approval of Contractor Deliverables

**Task 1.2 CPR Meetings**

The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and if it should, are there any modifications that need to be made to the tasks, deliverables, schedule or budget.

CPRs provide the opportunity for frank discussions between the Energy Commission and the Contractor. CPRs generally take place at key, predetermined points in the Agreement, as determined by the Commission Contract Manager and as shown in the Technical Task List above and in the Schedule of Deliverables. However, the Commission Contract Manager may schedule additional CPRs as necessary, and any additional costs will be borne by the Contractor.

Participants include the Commission Contract Manager and the Contractor, and may include the Commission Contracts Officer, other Energy Commission staff and Management as well as other individuals selected by the Commission Contract Manager to provide support to the Energy Commission.

**The Commission Contract Manager shall:**

- Determine the location, date and time of each CPR meeting with the Contractor. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Contractor the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both leverage funding and permits.
- Conduct and make a record of each CPR meeting. One of the outcomes of this meeting will be a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not to modify the tasks, schedule, deliverables and budget for the remainder of the Agreement, including not proceeding with one or more tasks. If the Commission Contract Manager concludes that satisfactory progress is not being made, this conclusion will be referred to the Energy Commission's ARRA Committee for its concurrence.

- Provide the Contractor with a written determination in accordance with the schedule. The written response may include a requirement for the Contractor to revise one or more deliverable(s) that were included in the CPR. The written determination may also include the Energy Commission decision on the amount of ARRA SEP funds to encumber into the Agreement.

**The Contractor shall:**

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other deliverables identified in this Scope of Work. Submit these documents to the Commission Contract Manager and any other designated reviewers at least 5 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

**Contractor Deliverables:**

- CPR Report(s)
- CPR deliverables identified in the Scope of Work

**Commission Contract Manager Deliverables:**

- Agenda and a List of Expected Participants
- Schedule for Written Determination
- Written Determination

**Task 1.3 Final Meeting**

The goal of this task is to identify the required activities necessary to closeout this Agreement.

**The Contractor shall:**

- Meet with the Energy Commission to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Contractor, the Commission Contracts Officer, and the Commission Contract Manager. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the Commission Contract Manager.

The technical portion of the meeting shall present findings, conclusions, and recommended next steps (if any) for the Agreement. The Commission Contract Manager will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the Commission Contract Manager and the Contracts Officer about the following Agreement closeout items:

- What to do with any state-owned equipment (Options)
  - Need to file UCC.1 form re: Energy Commission's interest in patented technology
  - Energy Commission's request for specific "generated" data (not already provided in Agreement deliverables)
  - Need to document Contractor's disclosure of "subject inventions" developed under the Agreement
  - "Surviving" Agreement provisions, such as record keeping and inspection of records, repayment provisions, and confidential deliverables
  - Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement. These activities shall include, but not limited to:
    - Communicate exit management procedures and schedule to appropriate Project team members and partners.
    - Complete all retrofits and post-installation audits.
    - Pay all remaining incentives due.
    - Close all open issues.
    - Organize and check all Project documentation.
    - Aggregate documentation, prepare and deliver final report.
    - Close out Project accounting and reporting.
    - Submit final invoice to the Energy Commission.

**Contractor Deliverables:**

- Written documentation of meeting agreements and all pertinent information
- Schedule for completing closeout activities

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**REPORTING**

**See Exhibit D, Reports/Deliverables/Records.**

**Task 1.4 Monthly Progress Reports**

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the research objectives of this Agreement.

**The Contractor shall:**

- Prepare the progress report format for the Commission Contract Manager's approval
- Prepare progress reports which summarize all Agreement activities conducted by the Contractor for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Contract Manager within 10 working days after the end of the reporting period.

**Contractor Deliverables:**

- Progress report format for the Commission Contract Manager's approval
- Monthly Progress Reports

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**Task 1.5 Test Plans, Technical Reports and Interim Deliverables**

The goal of this task is to set forth the general requirements for submitting test plans, technical reports and other interim deliverables, unless described differently in the Technical Tasks.

**The Contractor shall:**

- Submit a draft of each deliverable listed in the Technical Tasks to the Commission Contract Manager for review and comment in accordance with the approved Schedule of Deliverables. The Commission Contract Manager will provide written comments back to the Contractor on the draft deliverable within 10 working days of receipt. Once agreement has been reached on the draft, the Contractor shall submit the final deliverable to the Commission Contract Manager. The Commission Contract Manager shall provide written approval of the final deliverable within 5 working days of receipt. Key elements from this deliverable shall be included in the Final Report for this project.

**Task 1.6 Final Report**

The goal of this task is to prepare a comprehensive written Final Report that describes the original purpose, approach, results and conclusions of the work done under this Agreement. The Commission Contract Manager will review and approve the Final Report. The Final Report must be completed on or before the termination date of the Agreement.

The Final Report shall be a public document. If the Contractor has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Contractor shall perform the following subtasks for both the public and confidential versions of the Final Report.

### **Task 1.6.1 Final Report Outline**

#### **The Contractor shall:**

- Prepare a draft outline of the Final Report.
- Submit the draft outline of Final Report to the Commission Contract Manager for review and approval. The Commission Contract Manager will provide written comments back to the Contractor on the draft outline within 10 working days of receipt. Once agreement has been reached on the draft, the Contractor shall submit the final outline to the Commission Contract Manager. The Commission Contract Manager shall provide written approval of the final outline within 5 working days of receipt.

#### **Contractor Deliverables:**

- Draft Outline of the Final Report
- Final Outline of the Final Report

#### **Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

### **Task 1.6.2 Final Report**

#### **The Contractor shall:**

- Prepare the draft Final Report for this Agreement in accordance with the approved outline.
- Submit the draft Final Report to the Commission Contract Manager for review and comment. The Commission Contract Manager will provide written comments within 10 working days of receipt.
- Submit one bound copy of the Final Report with the final invoice.

#### **Contractor Deliverables:**

- Draft Final Report
- Final Report

#### **Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

### **LEVERAGE FUNDS, PERMITS, AND ELECTRONIC FILE FORMAT**

#### **Task 1.7 Identify and Obtain Leverage Funds**

The goal of this task is to ensure that the leverage funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document leverage fund commitments are not reimbursable through this Agreement. While the budget for this task will be zero dollars, the Contractor may utilize leverage funds for this task. Leverage funds shall be spent concurrently or in advance of ARRA SEP funds during the term of this Agreement. Leverage funds must be identified in writing, and the associated commitments obtained before the Contractor can incur any costs for which the Contractor will request reimbursement.

**The Contractor shall:**

- Prepare a letter documenting the leverage funding committed to this Agreement and submit it to the Commission Contract Manager at least 2 working days prior to the kick-off meeting:
  1. If no leverage funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter.
  2. If leverage funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter:
    - A list of the leverage funds that identifies the:
      - Amount of each cash leverage fund, its source, including a contact name, address and telephone number and the task(s) to which the leverage funds will be applied.
      - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the leverage funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Contractor shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
    - A copy of the letter of commitment from an authorized representative of each source of cash leverage funding or in-kind contributions that these funds or contributions have been secured.
- Discuss leverage funds and the implications to the Agreement if they are significantly reduced or not obtained as committed, at the kick-off meeting. If applicable, leverage funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the Commission Contract Manager if during the course of the Agreement additional leverage funds are received.

- Notify the Commission Contract Manager within 10 working days if during the course of the Agreement existing leverage funds are reduced. Reduction in leverage funds may trigger an additional CPR.

**Contractor Deliverables:**

- A letter regarding Leverage Funds or stating that no Leverage Funds are provided
- Letter(s) for New Leverage Funds
- A copy of each Leverage Fund Memorandums of Understanding signed by all parties, and/or City Council or Board of Supervisors resolutions, and/or Departmental budget documents indicating leveraged funds have been committed and are available to support the Program
- Letter that Leverage Funds were Reduced (if applicable)

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**Task 1.8 Identify and Obtain Required Permits**

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. While the budget for this task will be zero dollars, the Contractor shall show any leverage funds used for this task. Permits must be identified in writing and obtained before the Contractor can incur any costs related to the use of the permits for which the Contractor will request reimbursement.

**The Contractor shall:**

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the Commission Contract Manager at least 2 working days prior to the kick-off meeting:
  1. If there are no permits required at the start of this Agreement, then state such in the letter.
  2. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
    - A list of the permits that identifies the:
      - Type of permit
      - Name, address and telephone number of the permitting jurisdictions or lead agencies
    - Schedule the Contractor will follow in applying for and obtaining these permits.

- The list of permits and the schedule for obtaining them will be discussed at the kick-off meeting, and a timetable for submitting the updated list, schedule and the copies of the permits will be developed. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the progress reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, then provide the appropriate information on each permit and an updated schedule to the Commission Contract Manager.
- As permits are obtained (including air quality), send a copy of each approved permit to the Commission Contract Manager.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the Commission Contract Manager within 5 working days. Either of these events may trigger an additional CPR.

**Contractor Deliverables:**

- A letter documenting the Permits or stating that no Permits are required
- Updated list of Permits as they change during the Term of the Agreement
- Updated schedule for acquiring Permits as it changes during the Term of the Agreement
- A copy of each approved Permit (including air quality)

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**Task 1.9 Electronic File Format**

The goal of this task is to unify the formats of electronic data and documents provided to the Energy Commission as contract deliverables. Another goal is to establish the computer platforms, operating systems and software that will be required to review and approve all software deliverables.

**The Contractor shall:**

- Deliver documents to the Commission Contract Manager in the following formats:
  - Data sets shall be in Microsoft (MS) Access, MS Excel file, or Comma Separated Value (CSV) format.
  - PC-based text documents shall be in MS Word file format.
  - Documents intended for public distribution shall be in PDF file format, with the native file format provided as well.
  - Project management documents shall be in MS Project file format.
  - Websites shall be developed using HTML 4.0 and CSS 3.0, and will meet WCAG (Web Content Accessibility Guidelines), Version 2, Level A.
- Request exemptions to the electronic file format in writing at least 90 days before the deliverable is submitted.

**Contractor Deliverables:**

- A letter requesting exemption from the Electronic File Format (if applicable)

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**FEDERAL REQUIREMENTS****Task 1.10 Prevailing Wage Determinations and Weekly Certified Payrolls**  
***(applicable only if the Contractor or subcontractors will perform installation work)***

The goal of this task is to ensure that the Contractor and subcontractors pay prevailing wage rates and submit weekly certified payrolls for all workers that perform labor and mechanic work to achieve the goals and objectives of this Agreement. This requirement applies to subcontracts paid for entirely with cost share funds.

As clarified in DOE's SEP Notice 10-004A, effective April 7, 2010, individual homeowners who receive funding through an SEP financing program are not regarded as ARRA recipients or subrecipients under applicable guidance issued by the OMB, and are not responsible for complying with requirements under the Davis-Bacon Act. Accordingly, this task 1.10, and any other provisions of this Agreement requiring the application of Federal prevailing wage law (including, but not limited to, the Davis-Bacon Act), are not applicable to SEP financing programs, the scope of which is limited to providing loans and/or grants to individual homeowners.

The Energy Commission and Contractor agree that Section 4.D.2 of Exhibit D to the Agreement does not create an independent contractual obligation to pay prevailing wage in accordance with State prevailing wage laws. State prevailing wage laws will apply to work performed under this Agreement only if California Labor Code § 1770 et seq. requires the payment of such wages. The Energy Commission will use its best efforts to secure, on or before December 31, 2010, a written determination from the California Department of Industrial Relations regarding the application or non-application of State prevailing wage law to SEP financing programs providing loans and/or grants to individual homeowners the proceeds of which will be used for energy efficient retrofit improvements.

**The Contractor shall:**

- Submit to the CCM a copy of applicable wage determinations for any and all labor and mechanic work that will be performed to achieve the goals and objectives of this Agreement (including any subcontract) within thirty (30) days of execution of this Agreement. If subcontractors will perform labor and mechanic work, the Contractor must submit a copy of applicable wage determinations to the CCM within thirty (30) days of execution of the subcontracts.
- Submit to the Energy Commission on a weekly basis a copy of all certified payrolls by the Contractor and subcontractors of any tier performing labor and mechanic work to achieve the objectives of this Agreement. Exhibit E, Section 2.M of this Agreement (Davis-Bacon Act and Contract Work Hours and Safety Standards Act) provides the required specifications for certified payrolls.

**Contractor Deliverables:**

- Copies of Applicable Wage Determinations
- Weekly Certified Payrolls

**The Energy Commission shall:**

- Use its best efforts to secure, on or before December 31, 2010, a written determination from the California Department of Industrial Relations regarding the application or non-application of State prevailing wage law to SEP financing programs providing loans and/or grants to individual homeowners the proceeds of which will be used for energy efficient retrofit improvements.

**Task 1.11 Historic Preservation Consultation**

The goal of this task is to ensure that the Contractor complies with the requirements of Section 106 of the National Historic Preservation Act (NHPA) prior to expenditure of SEP funds under this Agreement to alter any structure or site. The Energy Commission has executed a Programmatic Agreement (PA) with the California State Historic Preservation Officer (SHPO) to streamline the Section 106 consultation process. Under the Programmatic Agreement, the Energy Commission will evaluate projects to determine whether they are exempt from the SHPO review.

**The Contractor shall:**

- Consult with the Energy Commission (and SHPO and the Tribal Historic Preservation Officer, if applicable), as required, to ensure that the proposed project(s) will have no adverse effects on historic resources.
- Prepare a Consultation Package for projects not exempt from SHPO review, no later than thirty (30) days after the execution of this Agreement or the identification of the project structure(s) or site(s) to be retrofitted under the Agreement, whichever is later. The Energy Commission may specify an earlier time for submittal of the Consultation Package if retrofit work is expected to begin within less than thirty (30) days of project identification.
- Consult with Energy Commission on the information needed for projects which are exempt from SHPO review.

**Contractor Deliverables:**

- Consultation Package for projects which are not exempt from SHPO review.
- Submission of information required for projects which are exempt from SHPO review.

**Energy Commission shall:**

- Use its best efforts to secure, no later than December 31, 2010, an exemption from SHPO review for all projects to be performed on residential structures which are less than 45 years of age at the time work takes place, provided the properties have not been determined to be eligible under National Register Criterion Consideration G for exceptional significance (36 CFR 60.4).
- Use its best efforts to secure, no later than December 31, 2010, an exemption from SHPO's review for all projects to be performed on residential structures which involve only exempt undertakings (as identified in Attachment A of the PA).

- No later than December 31, 2010, identify the information required for projects which are exempt from SHPO review.
- Use its best efforts to identify, by December 31, 2010, the process to expedite the Energy Commission's timely review of all non-exempt projects.

**Energy Commission deliverables:**

- Energy Commission approval of an exemption for all projects to be performed on residential structures which are less than 45 years of age at the time work takes place, provided the properties have not been determined to be eligible under National Register Criterion Consideration G for exceptional significance (36 CFR 60.4).
- Energy Commission approval of an exemption for all projects to be performed on residential structures which involve only exempt undertakings (as identified in Attachment A of the PA).
- Identification of information required for projects which are exempt from SHPO review.
- Identification of a process to expedite the Energy Commission's timely review of all non-exempt projects.

**Task 1.12 Waste Management Plan**

The goal of this task is to ensure that the Contractor submits a Waste Management Plan to the CCM prior to expenditure of SEP funds under this Agreement on proposed project activities that may generate any sanitary or hazardous waste. The Waste Management Plan to be provided to the CCM by Contractor shall be the Waste Management Plan prepared and provided to Contractor by the installation contractor performing retrofit work under contract with the individual homeowner. The Waste Management Plan must describe the installation contractor's plan to dispose of any sanitary or hazardous waste generated by any proposed project activities. Sanitary and hazardous waste includes, but is not limited to: construction and demolition debris, old light bulbs, fluorescent ballasts and lamps, piping, roofing material, discarded equipment, debris, and asbestos. The Waste Management Plan must also describe the categories and estimated volumes of waste that the installation contractor anticipates will be generated by any proposed project activities, and the disposal path for each category of waste.

The plan must comply with all federal, state, and local laws and regulations governing waste disposal.

**The Contractor shall:**

- Submit to the CCM a Waste Management Plan for each project no later than thirty (30) days after the execution of the Agreement or the identification of any projects that may generate waste, whichever is later. The Energy Commission may specify an earlier time for submittal of the Waste Management Plan if retrofit work is expected to begin within less than thirty (30) days of project identification.

**Deliverables:**

- Waste Management Plan

## **TECHNICAL TASKS**

Unless otherwise provided in the individual Task, the Contractor shall prepare all deliverables in accordance with the requirements in Task 1.5.

### **Task 2 Program Delivery**

#### **Subtask 2.1 Program Management**

The goal of this task is to develop a detailed Implementation Plan to complete the MIST program. This Implementation Plan will include, but may not be limited to, the following components: a) clarify objectives, b) assign tasks and subtasks with resources and deadlines for reaching goals and milestones, c) include an expected expenditure schedule by program components, d) include risk assessments for the various program components, and e) a discussion of the procedures that will be implemented to ensure compliance with the various Federal requirements, including the Davis Bacon Act requirements, the National Historic Preservation Act requirements, the Waste Management Plan requirements (if and to the extent applicable). The Implementation Plan shall also describe the Contractor's plans for implementing the MIRACL revolving loan and grant program (or a continuation program) beyond the term of the Agreement as contemplated in Task 2.9, including the use of projected program income and principal repayment to: (i) pay for the administrative costs to service existing loans made during the term of this Agreement; and (ii) fund and service new grants and loans following expiration of this Agreement.

#### **The Contractor shall:**

- Develop Draft Implementation Plan
- Develop Final Implementation Plan
- Develop Memorandums of Understanding with all key program participants and partners, including but not limited to: Beutler Corporation, California Building Performance Contractors Association (CBPCA), and the California Workforce Investment Board; and to the extent possible with County Housing Offices, utilities (Investor Owned and Publicly Owned), and mortgage lenders, and Workforce Investment Boards.
- Develop MIRACL Underwriting Standards

#### **Contractor Deliverables:**

- Draft Implementation Plan
- Final Implementation Plan
- Written Agreements (Memorandums of Understanding, Letters of Intent, etc.) signed by all parties to the agreement
- MIRACL Underwriting Standards and an analysis of how they vary from those used in other typical energy efficiency mortgage instruments

#### **Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

#### **Subtask 2.2 Program Administration**

The goal of this task is to initiate implementation of MIST program.

**The Contractor shall:**

- Assign Program Staff
- Determine Administrative Process Methodology
- Form the Project Advisory Committee (PAC)
- Create MIST Database Architecture
- Create MIST Application Package
- Review Retrofit Project Applications for adherence to the HERS II process
- Process Retrofit Loan Applications
- Review/process Retrofit Loan Funding Applications
- Enter all Participant Non-Utility Information Into Database

**Contractor Deliverables:**

- Program Staff Assigned
- Procedure for processing:
  - Contractor MIST Certification Applications
  - End-User MIST Applications
  - Retrofit Loan Funding Applications
  - End-User Monthly Utility Data
  - Underwriting Criteria
- MIST Database Architecture
- Project Advisory Committee (PAC) Meetings attendance and minutes
- Standard Contract Language between homeowner and BPC
- MIST grant application
- Partner utilities' incentive applications
- Utility bill release form
- Retrofit Project Applications processed
- Retrofit Loan Funding Applications processed
- All documentation (forms, applications, etc.) for each project is scanned/saved to database in addition to retrofit records
- Real servitude language that specifies the inclusion of:
  - a post-retrofit HERS California Home Energy Rating Certificate and a Standard and/or Custom Approach Recommended Improvements report including designation of the implemented improvements;
  - The individual HERS Rater identification number for their house, uniquely identifying the energy profile of the house in the existing statewide database;
  - A promise to authorize the release of the immediately previous one year's worth of gas and electrical utility usage information:
    - upon acceptance of any bona fide offer to purchase the property to the offeror at the same time other statutorily-required disclosures are made; or
    - upon transfer by any means, voluntary or otherwise, to the immediate subsequent owner of the property; and
  - Appropriate language establishing the servitude for the benefit of CHF or its assignee, and requiring that the statement of certification and HERS Rater Identification Number be contained in all subsequent deeds.

## **Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

## **Subtask 2.3 Workforce Development**

The goal of this task is to create an estimated 493 jobs through the implementation of energy efficiency retrofits projects.

### **The Contractor shall:**

- Prepare Program Certification Materials for Contractor
- Acquire Contractor Candidates from CPBCA
- Contact Contractor Candidates for Pre-Verification of Fundamental Program Requirements
- Contact HERS Rater provider organizations to determine Program HERS Raters
- Arrange regional training meetings for utility account reps, contractors, and HERS raters
- Arrange regional training meetings for Real Estate and Mortgage Brokers and Contractors
- Coordinate workforce development efforts with Beutler Corporation's Green Jobs program, CWIB and regional WIBs to provide training that is relevant to the needs of the Building Performance Contractors under the MIST Program. Coordinate with the CWIB and the regional WIBs to facilitate the placement of graduates of the training in jobs created by the MIST Program.
  - Develop the process for orientation and training on the CWIB and WIB systems
  - Require that all contractors doing retrofit work are communicating with local WIBs

### **Contractor Deliverables:**

- ARRA rules documentation
- Program Guidelines/expectations documentation
- Procedural Guidelines for Utilities
- MIST Certification Application
- Acknowledge/Acceptance From
- Payment Application Guidelines
- List of contractor candidates
- List of Pre-verified Contractor Candidates
- List of HERS Rater Candidates with emphasis on those located in Economically Disadvantaged Areas
- Schedule/attendee list for 4 regional utility account rep meetings
- Schedule/attendee list for 4 regional contractor/HERS rater meetings
- Schedule/perform 31 DRE approved CE classes for real estate professionals
- Schedule four (4) regional meetings to educate contractors
  - Provide training on MIST Procedures, Rules, Guidelines
  - Provide training on MIRACL Loans
  - Provide training on 203k Financing Procedure
  - Provide training on mandatory communication requirements with CWIB
- Provide training curricula

- Gather data from Contractors for CWIB & Local WIBS
  - Deliver data to CWIB on a quarterly basis

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables

**Subtask 2.4 Participant Recruitment**

The goal of this task is to provide marketing and outreach to potential program beneficiaries, including but not limited to: homeowners and homebuyers, CHOs, utilities, lending partners, retrofit contractors, and bank partners with REO properties.

**The Contractor shall:**

- Develop a marketing, education and outreach plan with appropriate strategies to reach distinct groups of program beneficiaries (homeowners and homebuyers, CHOs, utilities, lending partners, retrofit contractors, and bank partners with REO properties)
- Develop logo/branding, print materials, and website
- Develop California Department of Real Estate (DRE) accredited coursework promoting the use of MIST and other energy efficiency funding mechanisms
- Perform direct marketing
- Coordinate with contractors to market the MIST program to potential retrofit customers
- Coordinate with Utility Account Rep to market the MIST program in customer centers
- Coordinate with CHOs to market the MIST program to potential participants
- Develop MIST case studies and supply to partners
- Compile contact info of past loans as potential target end users
- Coordinate with contractors to sell "203k on transfer" projects
- Coordinate with contractors to sell "203k refinance" projects

**Contractor Deliverables:**

- Marketing, Education and Outreach Plan
- MIST logo/branding
- DRE CE curriculum
- Program newsletters, meeting notices, brochures, etc.
- MIST Website
- Program targeted advertising via direct mail, telephone, and email with emphasis on economically disadvantaged areas
- Program advertised to targeted end-users
- Program advertised to targeted utility customers
- Program advertised to low/moderate income homebuyers/owners
- MIST case studies developed
- Database of target potential end-users
- 203k On Transfer projects completed
- 203k Refinance projects completed

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables

### **Subtask 2.5 Retrofit Installations**

The goal of this task is to oversee the implementation of program designed energy retrofit installations. All retrofit installations will meet the requirements of, and be performed in compliance with one of the following:

- The Prescriptive Requirements identified in the ADDENDUM titled “Compliance with the Municipal Financing Contracts 10% Loading Order Requirement before HERS II is available”;
- EnergyPro software and standards, as determined by the Energy Commission, until HERS II standards and software are available; or
- HERS II standards and software, as determined by the Energy Commission, depending upon availability.

From July 1, 2011 through the end of this Agreement, energy audits must comply with HERS II standards and software. This requirement will be extended and/or modified to adjust for delays in HERS II availability.

#### **The Contractor shall:**

- Make loans to finance completed MIRACL Projects
- Enhance the use of 203k at time of Purchase to perform retrofits
- Enhance the use of 203k Refinance to perform retrofits
- Continue MIRACL "Roll-over" Loans with pre-paid MIRACL Loan Principal

#### **Deliverables:**

- Comprehensive Cost-effective EEM Installations completed with MIRACL financing (MIRACL Loans funded)
- Comprehensive Cost-effective EEM Installations completed with 203K financing
- Comprehensive Cost-effective EEM Installations completed with 203K re-financing
- Comprehensive Cost-effective EEM Installations completed with MIRACL "roll-over" financing

### **Subtask 2.6 Quality Assurance**

The goal of this task is ensure that all projects meet program standards. This subtask includes the development of a Quality Assurance Plan, that includes but may not be limited to: A) include confirming documentation for any HERS field verifications and other requirements for compliance with Title 24, Part 6; B) verification that contractors and sub-contractors are working within the scope of their licenses; C) proof of appropriate permits were pulled; D) track pre- and post- retrofit audit results and energy use; and E) program adherence to the contractor’s initial deployment schedule for MIRACL Loans, 201(k) 1<sup>st</sup> time loans, 203(k) refinance loans, and MIRACL roll-over loans.

Program quality assurance will meet with the requirements of, and be performed in compliance with one of the following:

- The Prescriptive Requirements identified in the ADDENDUM titled “Compliance with the Municipal Financing Contracts 10% Loading Order Requirement before HERS II is available”;

- EnergyPro software and standards, as determined by the Energy Commission, until HERS II standards and software are available; or
- HERS II standards and software, as determined by the Energy Commission, depending upon availability.

From July 1, 2011 through the end of this Agreement, program quality assurance must ensure that energy retrofits performed on or after July 1, 2011 comply with HERS II standards and software. This requirement will be extended and/or modified to adjust for delays in HERS II availability.

**The Contractor shall:**

- Develop Draft Quality Assurance Plan
- Develop Final Quality Assurance Plan
- Ensure all projects meet compliance of MIST program guidelines
  - CBPCA training & HERS certification on all projects
  - CBPCA oversight and monitoring of member contractors
  - CBPCA HERS II Audit and HERS II EnergyPro runs
  - HERS Raters verify correct installation
  - Cooperate with CPUC M&V Activities

**Contractor Deliverables:**

- Draft Quality Assurance Plan
- Final Quality Assurance Plan
- Highly trained Contractors & home Auditors on each project
- Highly reliable reports on each project
- Highly reliable audits on each project
- HERS verified installations on each project
- Cooperation with CPUC M&V Activities

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.
- Contractor notification of the availability of the HERS II raters.
- Schedule for transition from the Interim Performance Approach to the HERS II program.

**Subtask 2.7 Verification of Energy Savings**

The goal of this task is to provide verification of energy savings on all projects completed.

**The Contractor shall:**

- Acquire monthly electricity and natural gas utility data, and data for other energy sources as consistent with supplier restrictions
- Collect estimated energy savings from the post retrofit HERS II rater verification
- Provide a database of actual and estimated energy use data from MIST retrofits
- Facilitate and cooperate with DOE and Energy Commission Audits

**Contractor Deliverables:**

- Database of monthly utility-use information, actual and estimated by post retrofit HERS II rater verification
- Bi-monthly audit of completed projects' estimated energy/peak savings versus actual utility billing data

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**Subtask 2.8 Program Reporting**

The goal of this task is ensure that record retrieval is simple, fast and reliable.

**The Contractor shall (to the extent these Federal requirements are applicable to Contractor):**

- Meet Buy American provisions (Federal)
- Report GHG impact (Federal)
- Meet Prevailing wage requirements (Federal and State)
- Report Job creation impact (Federal)
- Meet ARRA progress reporting (Federal)
- Provide Energy Commission with data about energy/demand savings of the participant upon request (State)
- Consultant (TBD) prepares final technical report on program impact
- Quarterly telephone interview with participating contractors to insure they are utilizing WIB resources

**Contractor Deliverables:**

- Continuous progress reports (hardcopy and electric) as jobs close
- Estimate of GHG Impact
- Continuous progress reports (hardcopy and electric) as jobs close
- Quarterly submissions to Office of Management and Budget website
- Monthly progress reports (hardcopy and electric)
- Energy/demand savings reports
- Final technical report on program impact
- All data sent to local Workforce Investment Board (included in CPR)
- Summary of collected data sent to California Workforce Investment Board

**Commission Contract Manager Deliverables:**

- Commission Contract Manager Approval of Contractor Deliverables.

**Subtask 2.9 Lasting Market Transformation**

A goal and objective of this program is to promote / introduce elements into the marketplace to ensure sustainability and market transformation by continuing the MIRACL revolving loan and grant program beyond the March 31, 2012 term of this Agreement. To this end, the Contractor will work with the Energy Commission to secure the necessary approvals from the DOE to continue the MIRACL revolving loan and grant program beyond the term of the Agreement consistent with the Implementation Plan prepared pursuant to Subtask 2.1 and the following goals and objectives:

- Coordination of a continuing MIRACL revolving loan and grant program
- Enhancement of 203(k) program information dissemination to increase the use of 203K financing
- An increase in the number of rural projects completed by CBPCA Contractors
- An increase in the availability of Rural HERS Raters
- Increased knowledge of 203k availability by real estate and mortgage brokers
- Provision of property information to permanently document upgrade to home
- Establishment of cooperative relationship with CWIB and MORE to improve Workforce Development
- Generation of approximately 75-100 MIRACL loans per year from returning principal
- Increased number of 203k Loans
- Increased number of CBPCA jobs completed in rural counties
- Increased number of homes visited by HERS Raters in rural counties
- CWIB process improvements
- Training of additional contractors to CBPCA/BPI standards

**Energy Commission actions:**

- Immediately following execution of this Agreement, Energy Commission shall coordinate with Contractor and DOE in order to establish parameters for the continued funding and administration of the MIRACL revolving loan and grant program following expiration of the term of this Agreement.
- Energy Commission shall use best efforts to secure, on or before December 31, 2010, the necessary approvals from the DOE to continue the MIRACL revolving loan and grant program beyond the term of the Agreement, including the use of projected program income and principal repayment to: (i) pay for the administrative costs to service loans made during the term of this Agreement; and (ii) fund and service new grants and loans following expiration of this Agreement.

***Compliance with the Municipal Financing Contracts 10% Loading Order Requirement before HERS II is Available***

In the event the contract term for ARRA SEP municipal financing contracts begins before certified HERS II Raters are available in the Contractor's performance region, the municipal financing Contractor will use either the Energy Commission prescriptive list (see below), or an Energy Commission interim performance approach for residential buildings (also explained below), to meet the requirement of achieving at least a 10% energy efficiency improvement at each proposed project site before renewable projects are eligible for financing.

To comply with the Energy Commission prescriptive list, residential buildings will be required to install all of the following measures (the "Prescriptive Requirements") (Combustion Safety and CO alarm not required if already performed/installed), consistent with Energy Commission technical specifications for each measure (such as Annual Fuel Utilization Efficiency rating of furnace, R-value of insulation, when measures are feasible, etc.):

- a. Air Sealing,
- b. Attic insulation,
- c. Duct test and seal or replacement,
- d. Insulation of Domestic Hot Water or replacement,
- e. Combustion Safety (requires BPI Building Analyst), and
- f. CO Alarm

For residential buildings where it is not feasible to install all of the first four measures (measures a through d) in the Energy Commission prescriptive list, including when some of the measures have been previously installed or when measures are otherwise not feasible as indicated in the technical specifications, the Energy Commission-approved prescriptive list cannot be used. In these cases, an Energy Commission interim performance approach for the building must be used to determine compliance with the 10 percent energy improvement requirement prior to financing renewable projects for the building. The Energy Commission may consider alternate approaches to achieve the Energy Commission's loading order policy for each residential renewable project site. If the Energy Commission approves an alternate approach, the CCM will provide this approved approach to the Contractor in writing.

From July 1, 2011 through the end of this Agreement, energy audits must comply with HERS II standards and software. This requirement will be extended and/or modified, by the Energy Commission, to adjust for delays in HERS II availability.

For proposed nonresidential building sites and multi-family building sites outside the scope of HERS II, the CCM will consider in consultation with the Contractor an energy audit methodology to be used by the Contractor to meet the 10% energy improvement requirement prior to financing renewable projects. The CCM will provide an approval in writing of the methodology.