

**Exhibit A
SCOPE OF WORK**

This Scope of Work is effective beginning May 1, 2012, unless prior written approval to begin work is provided by the Commission Contract Manager.

TECHNICAL TASK LIST

Task #	Task Name
1	Administration
1.1	Progress Reports
1.2	CPR Meetings
1.3	Identify and Obtain Leverage Funds
1.4	Identify and Obtain Required Permits
1.5	Electronic File Format
1.6	Prevailing Wage Determination/Payroll
1.7	Historic Preservation
1.8	Waste Management
2.1	Implement Revolving Loan Fund
2.2	Implement Loan Loss Reserve Fund

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Daniel Adams Kevin Kitchingham	Enterprise Community Partners	City of Oakland City of Berkeley
2	Daniel Adams Kevin Kitchingham	Enterprise Community Partners	City of Oakland City of Berkeley

ACRONYMS

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

Acronym	Definition
Agreement	Contract No: 400-09-019 between California Energy Commission and San Francisco Mayor's Office of Housing
AMRI	Affordable Multifamily Retrofit Initiative
ARRA	American Recovery and Reinvestment Act
CEQA	California Environmental Quality Act
CCM or CAM	Commission Contract Manager or Commission Agreement Manager
CDBG	Community Development Block Grant
CPR	Critical Project Review
Energy Upgrade California	The Energy Commission's Statewide branding effort.
Enterprise	Enterprise Community Partners, a subcontractor
HDCs	Housing Development Corporations

Acronym	Definition
HERS	Home Energy Rating System
MOH	San Francisco Mayor's Office of Housing
MOU	Memorandum of Understanding
PAC	Project Advisory Committee
PG&E	Pacific Gas and Electric
Regional partners	City of Oakland ,City of Berkeley and others to be determined
Subcontractors	Enterprise Community Partners and Low Income Investment Fund
UCC.1	Uniform Commercial Code (Financing Statement)
WAP	Weatherization Assistance Program

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.

“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).

Problem Statement

Meeting the long term physical and financial needs of the affordable housing sector's aging portfolio of buildings is a daunting task and requires particular expertise and resources due to the complicated financing involved in these projects, and the way in which the rents are regulated to ensure long term affordability. Multiple layers of existing financing securing these properties make it very difficult (if not impossible) to secure an energy efficiency improvement loan with the real estate in a senior position, such as would be required through tax-lien, municipal financing programs. Additionally, affordable housing properties operate on very thin margins, with tight cash flow, and owners are understandably reluctant to undertake whole-building energy efficiency upgrades unless funding is provided with very favorable terms and the process is streamlined. Furthermore, non-profit affordable housing providers often lack the financial or technical resources to engage in a whole-building review of energy and water use, and are thus challenged to direct limited funds to improvement measures with the greatest impact. Finally, the amount of loan serviceable with energy savings, in most instances, will not be sufficient to cover the full cost of the improvements. Additional resources, such as utility rebates, Weatherization Assistance Program funds, and owner reserves, will most often be required to ensure a whole-building approach to the retrofit work.

Though the challenges are significant, so too is the need. Much of the region's affordable housing is provided in older structures, many of which suffer from a host of energy efficiency problems such as leaky, single-glazed windows, old boilers, and inefficient heat and hot water distribution systems, and poor lighting controls. Such inefficiencies lead to high utility costs that compromise the property's operations and cash flow. To measure the extent of the need, the Initiative has conducted an Energy Retrofit Demand and Sensitivity Analysis using data collected by the San Francisco Mayor's Office of Housing. The analysis shows that 25% of San Francisco's affordable housing portfolio, nearly 7,000 units, suffers from per-unit utility costs that are significantly above average. At a regional level, the need, and the opportunity is great.

Goals and Objectives of the Agreement

The goal of this Agreement is to increase energy efficiency and preserve affordability for thousands of units of multifamily housing serving low-income tenants throughout the Bay Area.

The objectives of this Agreement are to:

- provide technical support to affordable housing owners to assess building energy needs and deficiencies;
- assemble financing, or provided additional security to financing, that can address those needs, increase energy efficiency, improve resident comfort and lower utility costs;
- take advantage of available subsidies and rebates
- implement an existing revolving loan fund that provides capital for energy and water improvements with verifiable near and mid-term payback periods
- create and implement a loan loss reserve fund that will provide additional security for third party capital loans for energy and water improvements with verifiable near and mid-term payback periods

TASK 1.0 ADMINISTRATION

REPORTING

Task 1.1 Progress Reports

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

At the time of executing Amendment 1, it was unknown exactly what reporting requirements the Department of Energy would require for ongoing financing programs. To ease the burden of both parties in reacting to such changes, it is agreed that the parties can change this section through the Letter of Agreement process set forth in Exhibit D.

The Contractor shall:

- Prepare a quarterly written progress report for the Commission Agreement Manager's approval which summarize all Agreement activities conducted by the Contractor for the reporting period.
- Prepare a quarterly budget report for the Commission Agreement Manager's approval which summarize all revenues and expenditures for the Revolving Loan and Loan Loss Reserve Funds.
- Prepare draft and final annual reports which summarize all Agreement activities conducted by the Contractor for the year in question. The final annual report is due January 31st of the year following the reporting period.
- Prepare any required federal reports.

Contractor Deliverables:

- Quarterly Progress Reports
- Draft and Final Annual Reports
- Required Federal Reporting

Commission Contract Manager Deliverables:

- Commission Agreement 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 may be initiated by either the Commission Agreement Manager or the Contractor.

Participants include the Commission Agreement 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 Contractor shall:

- Prepare a CPR Report for that discusses the critical program issue(s) that precipitated initiating the CPR meeting. This report shall include recommendations and conclusions regarding continued work of the projects. 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 meeting

Commission Contract Manager Deliverables:

- Written Determination

LEVERAGE FUNDS, PERMITS, AND ELECTRONIC FILE FORMAT

Task 1.3 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:

- Seek such leverage funds as may be available to further the goal, objectives and tasks of this agreement.

Contractor Deliverables:

- Report quarterly on any leveraged funds expended to further this scope of work.

Task 1.4 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:

- Obtain evidence that all necessary permits have been obtained before providing a final financing commitment through either the Revolving Loan or Loan Loss Reserve Funds.

Contractor Deliverables:

- Documentation maintained in all Revolving Loan Fund and Loan Loss Reserve files evincing proper permits were obtained.

Task 1.5 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 1.6 Prevailing Wage Determinations and Weekly Certified Payrolls

(Applicable only if the Contractor or subcontractors will perform or subsidize installation work, as in the case of a revolving loan fund. This is not applicable to loan loss reserves.)

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.

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

Task 1.7 Historic Preservation Consultation

(Applicable only if the Contractor or subcontractors will perform or subsidize installation work, as in the case of a revolving loan fund. This is not applicable to loan loss reserves.)

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 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 categorically excluded from the SHPO's direct review and consultation.

The Contractor shall:

- Consult with the Energy Commission (and with the SHPO and the Tribal Historic Preservation Officer, if applicable) to ensure that the proposed project(s) will have no adverse effects on historic resources.
- Prepare a Consultation Package as specified by the Energy Commission 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.

Contractor Deliverables:

- Consultation Package

Task 1.8 Waste Management Plan

(Applicable only if the Contractor or subcontractors will perform or subsidize installation work, as in the case of a revolving loan fund. This is not applicable to loan loss reserves.)

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 must describe the 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 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.

Contractor 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 Tasks 1.1 through 1.8.

Task 2 Program Delivery

Task 2.1 Implement Existing Revolving Loan Fund

The goal of this task is to continue the administration of the Revolving Loan Fund (the Bay Area Multifamily Fund) established by this contract from September 30, 2010 through March 31, 2012. **Contractor will not make additional loans from principal and interest repayments from existing loans without written permission from the Commission Contract Manager after April 30, 2012.**

The Contractor and Subcontractors shall:

- **Collect payments from borrowers, [service loans and portfolio monitoring.](#)**
- **[Follow up on delinquent loans.](#)**
- **[Submit quarterly reports to SF MOH](#)**
- Work with community development corporations to recruit participants.
- Work with local partnering jurisdictions to identify properties with an acute need for energy efficiency upgrades as manifested by higher-than-average utility costs.
- Target buildings most in need of Tier Three comprehensive improvements.
- Identify the selected properties' existing condition.
- Analyze energy use, engaging a third party contractor to prepare the investment-grade audit.
- Select a package of physical improvement that will result in the highest level of energy efficiency.
- Monetize both the cost of improvements and the savings to be achieved.
- Deliver final report to building owner.
- Cost out full retrofit package, resulting in a scope of work to be bid out to contractors
- Underwrite a retrofit loan in accordance with what the energy audit indicates the owner can afford based on projected savings and consistent with the Initiative's underwriting criteria.
- Identify which measures can be covered by Weatherization Assistance Program (WAP) and other leveraged local funds.
- Apply for WAP and other leveraged local funds and garner commitment.
- Work with PG&E to identify program incentives, rebates and/or products and services that can be accessed for the project.
- Conduct due diligence, preparation of loan documents, and legal reviews.
- Execute documents (once the parties are in full agreement).
- Review properties' financial audits, including information on operations and utility costs.
- Facilitate and cooperate with DOE and Energy Commission Audits.
- Maintain a database containing estimated and actual energy savings.
- Develop transfer documentation, procedures and estimated costs for transfer of the program from the Contractor to the Energy Commission or another agency.

Contractor Deliverables:

- Transfer documentation, procedures and cost estimates for transfer of the Revolving Loan Fund to the Energy Commission or another agency.
- Final Energy Audit and Capital Needs Assessment for each property.
- Scope of Work for energy and water conservation measures for each property.
- Underwriting review of each property.
- Final executed loan documents for each property.
- Installation confirmation and quality assurance report for each property.
- Completed retrofits of approximately 600665 energy efficiency affordable units which will achieve an approximate average of 25% energy use reduction over existing conditions by December 31, 2012.
- Workforce of approximately 81 individuals who have been trained and are experienced in energy retrofitting construction by December 31, 2012.
- Summary energy use report for each property.

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