

**NON-MUNICIPAL AGENCY FUNDING AND SERVICES
CONTRACT AMENDMENT NO. 2
CONTRACT NO. EECBG-ARRA-OEQ-2
OFFICE OF THE CITY MANAGER – OFFICE OF ENVIRONMENTAL QUALITY**

THIS CONTRACT AMENDMENT is made and entered into this 1st day of July, 2012 between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Metropolitan Energy Center (Contractor), whereby the parties desire to amend Contract No. EECBG-ARRA-OEQ-2 That was entered into on July 1, 2010 as follows:

Sec. 1. Sections Amended. Section 2-B and Section 3 of the Contract are hereby deleted and the following new Section 2-B and Section 3 are inserted to replace the deleted sections:

Section 2. Compensation

B. Contractor's Line Item Budget. Contractor shall submit a line item budget showing the sources of all resources and expenditures in the performance of services under this Contract and a statement of the proposed use of funds requested from City in a line item format with written justification for each line item. Such line item budget of Contractor and statement of proposed use of funds and any changes thereof exceeding 10% of any such line item shall require City approval in writing. The line item budget and budget justification is attached hereto as **Attachments D-1, D-1(a), D-3, D-2 and D-2(a), D-3(a).**

Section 3. Responsibilities of Contractor

Contractor shall perform the Scope of Services, and the Performance Timelines, Work Plan and Milestones outlined in **Attachments A, A-1, A-2, B, B-1, B-2, C, C-1, C-2, D-1, D-1(a), D-3, D-2 and D-2(a), D-3(a)**

Sec. 2. Attachments Added. New Attachments **A-2, B-2, C-2, D-3, and D-3(a)** are hereby attached to and made a part of this Contract.

Sec. 3. Sections and Attachments not Amended. All other sections of and attachments to the Contract shall remain in full force and effect.

CONTRACTOR

KANSAS CITY, MISSOURI

I hereby certify that I have authority to execute contract on behalf of this Contractor

By: _____

By: Robert Housh

Title: _____

Title: Executive Director

Date: _____

Date: _____

(Affix Corporate Seal)

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Director of Finance (Date)

ATTACHMENT A-2

Scope of Services

2012-2013

Contractor shall perform the following key tasks:

1. Maintain the, single point of contact mechanism for delivery of program services and support that includes, but may not be limited to, marketing and outreach, program applications, energy audits, information on obtaining energy efficiency financing, resources for obtaining energy efficiency upgrades, quality control and assurance. For each participant, Contractor shall provide a single point of contact that can answer questions and help the building owner understand the process and benefits of program services. Contractor shall, as appropriate, recruit, hire, and train Customer Service Representatives to be located in the EnergyWorks KC target neighborhoods to deliver assistance to building owners for obtaining all services needed for energy efficiency upgrades to their buildings (residential, commercial, industrial, and/or institutional):
 - a. Provide information regarding the benefits of energy efficiency upgrades and an understandable explanation of the overall process to be followed.
 - b. Provide a listing of pre-qualified energy auditors and assistance in making arrangements for an energy audit to determine cost-effective energy efficiency upgrades to be implemented. Facilitate an energy conditions assessment (energy audit) to be provided by a pre-qualified energy auditor, in a timely fashion, after the customer has applied for services. A pre-qualified energy auditor is defined as:

An auditor who has completed all of the prerequisites of training and certification required by the Midwest Home Performance with Energy Star (HPwES) Program. The Midwest Home Performance with Energy Star (HPwES) Program is the Home Performance with Energy Star (HPwES) Program operated within the middle-western United States and administered by the Metropolitan Energy Center. To complete pre-qualification, the auditor must also have completed contractor orientation and the required pre-acceptance mentoring. The auditor will then be accepted for inclusion on the Midwest HPwES pre-qualified auditor list. The current list can be accessed at: www.hpwes.net. Pre-requisites include training and certification as a Residential Energy Services Network (RESNET) Energy Rater with additional training in combustion safety diagnostics or Building Performance Institute (BPI) Building Analyst Certification with additional training in operation of building modeling software. An auditor may also qualify for certification if they complete the Metropolitan Energy Center Energy Auditor

Training which includes combustion safety training, building modeling software training, and passes a written test and field testing.

- c. Secure signed release forms from participants in Energy Works KC to obtain their past, current, and future energy use data from the electrical and natural gas utilities (to be used solely for the purpose of providing assistance to the building owner, documenting measurable program results from EnergyWorks KC, and providing aggregated data for reporting to the U.S. Department of Energy). Contractor shall thoroughly explain the nature of the release including, but not limited to, that the information may be available for public review and/or inspection. The release and waiver of liability form is to be approved by the City prior to use by Contractor.
- d. Secure signed release and waiver of liability form from participants in the Energy Works KC program designed to hold the City harmless regarding any work, including audit and construction work, performed by third parties at or upon any property owned by the participant for which program benefits are sought. Contractor shall thoroughly explain the nature of the release including, but not limited to, that the information may be available for public review and/or inspection. The release and waiver of liability form is to be approved by the City prior to use by Contractor.
- e. Provide the participant/building owner an opportunity to review the audit results and assist him/her in identifying the scope and preliminary cost estimate of energy efficiency upgrade options. Contractor shall ensure the audit is done in accordance with current program standards. Current program standards are defined as:

Those standards and procedures outlined in the “HPwES Contractor Agreement” as amended from time to time for the Midwest HPwES Program operated by the Metropolitan Energy Center, which is available at the office of the Metropolitan Energy Center at 3810 Paseo Blvd. Kansas City, Missouri 64109.

- f. Review the results of the energy audit with the building owner to help identify energy upgrade measure(s), based on recommendations in the energy audit that meet or exceed current program standards and generally accepted industry quality standards. Contractor shall review the energy efficiency upgrades to evaluate whether such upgrades were performed as specified in the building owner’s contract. Establish an appropriate post-upgrade process for verifying the work, documenting all elements of the process, and obtaining building owner acceptance of the work.

- g. Provide and maintain a listing of qualified energy efficiency upgrade contractors, including MBE & WBE firms, who could perform the scope of energy efficiency upgrade services, and provide the building owner general procurement and contracting guidance for performance of the desired energy efficiency upgrades. The list shall be updated no less than annually and shall be updated quarterly, or as needed, if there is sufficient turn-over of qualified contractors or there is substantial change in the information about contractors on the list. A qualified energy efficiency upgrade contractor is defined as:

A contractor that is a third party individual or company that has met the qualifications to participate in the Midwest HPwES program and agrees to follow the provisions outlined in this Agreement and the protocol of the Midwest HPwES program and local sponsor initiatives and Terms and Conditions for local programs. The contractor may either perform, or cause an Auditor to perform home energy audits using diagnostic tests, data collection, and modeling software to produce an assessment report and a prioritized list of recommended improvements that reference cost and anticipated/potential energy savings. This assessment report is to be shared with Contractor and the customer, prior to any discussion or recommendations for improvements are shared with the customer. Contractor will ensure the assessment report is complete and contains all the required information for a customer to make educated purchasing decisions. The contractor will install recommended improvements as specified in a scope of work agreed to by the energy efficiency upgrade contractor and building owner. Contractor may either perform, or cause an Auditor to perform, post-installation tests and inspections.

Only energy efficiency upgrade contractors meeting this definition shall have their work eligible for purposes of EWKC incentives.

- h. Contractor, as part of its assistance to building owners, shall prepare a guidance document on selection of energy efficiency upgrade contractors to perform energy efficiency upgrades. That guidance document will be provided to the Office of Environmental Quality (OEQ) for OEQ's prior approval. The guidance document shall include a statement regarding the value the City places on supporting local, MBE/WBE firms. The document shall include language clearly stating that the City desires that City certified Minority Business Enterprises (MBEs) and City certified Women Business Enterprises (WBEs) have a maximum opportunity to participate in the performance of these contracts, and thereby encourages solicitation of these opportunities to MBE/WBE firms. A list of approved energy efficiency contractors that are provided by Contractor to

building owners shall identify those contractors who are MBE/WBE firms certified by the City of Kansas City, Missouri

- i. Identify the financial assistance for which the building owner is eligible that could cover some or all of the anticipated costs of the energy efficiency upgrades, e.g. utility rebates, Low Income Weatherization Assistance Program, state/federal tax credits, and other similar programs and opportunities.
 - j. Assist the building owner in applying for all relevant financial assistance, discussed in Paragraph (i) above, for which he/she may be eligible.
 - k. Assist each building owner in determining the net amount of financing from a private lender that will be necessary, taking into consideration available rebates and incentives, to implement the desired energy efficiency upgrades, At no time, however, shall Contractor provide specific loan counseling. If such counseling is deemed necessary and appropriate, Contractor shall refer the building owner to a professional, third party loan counselor.
 - l. Provide a listing of lending institutions that are participating in EnergyWorks KC and a summary sheet that identifies the general terms of such loans.
 - m. Provide energy counseling to each building owner or manager, if needed and as appropriate, regarding ways to minimize future energy use in the building after completion of the energy efficiency upgrades.
 - n. If desired by the building owner, review subsequent energy use and utility bills with them to provide additional recommendations for actions to save energy and reduce costs.
2. In conjunction with the EnergyWorks KC program marketing team established by the City, analyze the effectiveness of outreach and marketing my MEC and implement changes/improvements as needed.
 3. Work with landlords (building owners and/or managers) and renters to develop and implement specific rental property components of the program.
 4. Maintain, evaluate and improve as needed, a transparent program management system from which Contractor can provide status of each customer, and can provide reports on the work accomplished, jobs created/retained by Contractor, Retrofit Services Manager, energy auditors, and energy efficiency upgrade contractors in accordance with federal, state and local requirements. Such requirements include, but may not be limited to, all applicable provisions of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.
 5. Work with program partners including the City, all target neighborhood organizations and associations, utilities, Mid-America Regional Council (MARC), and others to ensure, to the extent feasible:
 - a. Recruitment and training of small, locally owned, minority (MBE) and women's (WBE) business enterprises providing energy audit and energy efficiency upgrade services pursuant to the EnergyWorks KC program.
 - b. Recruitment, training, and job placement of local residents in an effort to create immediate employment and long-term career opportunities.
 - c. Recruitment of building owners and landlords/managers to participate in the program.

- d. Coordination of energy efficiency upgrade services with Smart Grid, Green Impact Zone Low Income Weatherization Assistance Program (LIWAP), the Kansas City, Missouri Home Weatherization Assistance Program (HWAP), and other related services and programs, such as those provided by the State of Missouri, which may be available to customers during the term of this Agreement.
6. Data Collection, Tracking and Reporting
- a. Provide monthly program and fiscal reports to the City providing content and in a form acceptable to the City and as mandated by the U.S. Department of Energy and any applicable provisions of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5. City shall have discretion to solicit additional information and data at any time and Contractor shall provide same in a timely manner not to exceed 7 days.
 - b. Maintain a data collection and information tracking system capable of tracking and reporting project data from activities planned and implemented pursuant to Contractor's responsibility. In conjunction with the City, establish a reporting system that meets or exceeds the US Department of Energy metrics requirements and any additional metrics required by the City.
 - c. Contractor shall not collect, track, and/or report individual financial data (credit score, payment records, loan applications, etc.) and shall not track and report data attributable to individual buildings unless (1) specifically requested to do so by the City or the U.S. Department of Energy, or (2) a specific release is on file pursuant to Attachment A, Paragraph 1(c)-(d), above and such release captures the information at issue.
 - d. Contractor shall be required to provide quarterly reports to OEQ listing all energy efficiency upgrade contractors, including MBE and WBE firms, utilized by program participants on energy efficiency improvement contracts. The report should include, (at a minimum), the total number of contracts entered into; total dollar value; names of contractors undergoing work for participants; the name of any MBE/WBE subcontractors; the number of contracts awarded and the dollar value of the MBE/WBE firms contract amounts.
7. Deliverables:
- MEC shall:
- a. Complete an minimum of 165 residential energy efficiency analyses each month
 - b. Complete an minimum of 495 residential energy efficiency analyses each quarter
 - c. Complete an average of 165 residential energy efficiency improvements each month

- d. Complete an average of 495 residential energy efficiency improvements each quarter
- e. Complete 1465 residential energy efficiency improvements by the end of this Agreement
- f. Complete an minimum of 45 non-residential energy efficiency analyses each month
- g. Complete an minimum of 135 non-residential energy efficiency analyses each quarter
- h. Complete an average of 45 non-residential energy efficiency improvements each month
- i. Complete an average of 135 non-residential energy efficiency improvements each quarter
- j. Complete 400 non-residential energy efficiency improvements by the end of this Agreement
- k. Provide the City, by September 30, 2012, a written evaluation of the effectiveness of its approach to outreach in support of EWKC with recommendations for changes, if appropriate, and an implementation schedule
- l. Provide the City, by September 30, 2012, a written evaluation of the data collection and information tracking and reporting project data from activities planned and implemented pursuant to Contractor's responsibility.

ATTACHMENT B-2
Work Plan – 2012-2013

Objective 1: Set up MEC core program management system

Task 1: Hire and train staff

Task 2: Acquire and install project and data management systems (IT)

Task 3: Assist City staff in developing program related Requests for Proposals and selecting contractors pursuant to proposals received

Objective 2: Assist in implementation of marketing program

Task 1: Consult with City and other marketing partners to implement the marketing strategy

Task 2: Assist the City with development of all marketing materials taking care to be consistent in message

Task 3: Work with other related programs to integrate EnergyWorks KC (EWKC) marketing strategy and message with similar initiatives operating in the same neighborhoods

Task 4: Work with MARC and City staff to complement EWKC workforce development activities with existing improvement-contractor networks and initiatives

Task 5: Work with MARC and City staff to assist in the evaluation of target neighborhoods for targeted marketing and grassroots service delivery

Task 6: Work with City and with Bridging The Gap, for which there is a separate contract with the City, to implement a water efficiency component

Task 7: Implement educational schemes, props, and materials for Project Living Proof, as a tool for marketing and outreach for the program

Objective 3: Assist in implementation of the financial services component of EWKC

Task 1: Work with lender partners which are each under separate contract with the City to streamline the flow of information, as appropriate, in support of program customers

Task 2: Work with City staff and financial partners to implement the various financing mechanisms available under EWKC

Task 3: Revise, as necessary, all written procedures, lines of communication and written materials in order to implement a streamlined input to the financing components of EWKC

Task 4: Work with City staff and utility partners to refine, as necessary, the rebate mechanism, including written procedures and materials.

Objective 4: Implement the marketing/outreach program in the targeted neighborhoods

Task 1: For residential outreach, continue to develop partnerships with community organizations such as neighborhood associations, Green Impact Zone staff, churches, community centers and other such organizations that serve the residents of the neighborhoods. Continue sending the MEC Customer Service Representatives into the neighborhoods

Task 2: For commercial outreach, continue to develop relationships with business associations, Chamber of Commerce, and other such organizations to deliver the EWKC marketing message to the target areas. Continue making individual contact with businesses that may participate

Objective 5: Continue delivering services to residential and commercial buildings

Task 1: Process incoming inquiries and applications for program

Task 2: Complete residential and commercial audits

Task 3: Organize and complete block energy efficiency improvements in the target neighborhoods, to the extent feasible

Attachment C-2
Scope of Services – Milestones – 2012-2013

1st Quarter

- Milestone 1 – Record 500 program leads for residential buildings
- Milestone 2 – Report 495 completed projects for residential buildings
- Milestone 3 – Record 140 program leads for non-residential buildings
- Milestone 4 – Report 135 completed projects for non-residential buildings
- Milestone 5 – Review staff for adjustments to assignment, hiring and training
- Milestone 6 – Launch project management data system revision
- Milestone 7 – Develop and issue a guidance document for use by building owners when considering contractors
- Milestone 8 -Develop educational concepts, props, installations, and materials for Project Living Proof, as a destination center for the program
- Milestone 9 – Submit quarterly report, and revise prior periods

2nd Quarter

- Milestone 1 – Record 500 program leads for residential buildings
- Milestone 2 – Report 495 completed projects for residential buildings
- Milestone 3 – Record 140 program leads for non-residential buildings
- Milestone 4 – Report 135 completed projects for non-residential buildings
- Milestone 5 – Install educational prop and materials for Project Living Proof, as a destination outreach and training center for the program
- Milestone 6 - Submit quarterly report, and revise prior periods

3rd Quarter

- Milestone 1 – Record 500 program leads for residential buildings
- Milestone 2 – Report 495 completed projects for residential buildings
- Milestone 3 – Record 140 program leads for non-residential buildings
- Milestone 4 – Report 135 completed projects for non-residential buildings
- Milestone 5 – Submit quarterly report, and revise prior periods
- Milestone 6 – Engage a third-party contractor for an A-133 audit of the MEC activities under the program
- Milestone 7 – Revise reports, reconcile budgets, and submit final report

ATTACHMENT D-3

Budget

PERSONNEL COSTS		YEAR 1	YEAR 2	YEAR 3	3-YEAR TOTAL
Salaries	Annual Rate				
Executive Director	\$80,000	9,642	27,000.00	30,000.00	\$66,642.00
EWKC Manager & Training Coordinator	\$60,000	42,000.00	72,000.00	52,500.00	\$166,500.00
Customer Service Representatives	\$42,500	134,833.00	323,000.00	406,556.00	\$864,389.00
Sub-total		\$186,475.00	\$422,000.00	\$489,056.00	\$1,097,531.00
Fringe Benefits @ 27% in year 1 and year 2, and 28% in year 3		50,348.00	113,940.00	132,045.00	296,333.00
ECCO Select (Finance Manager, IT Services)		7,727.00	108,886.00	114,600.00	231,213.00
Sub-total Personnel Costs		\$244,550.00	\$644,826.00	\$735,701.00	\$1,625,078.00
SUPPORT COSTS					
MEC Approved Indirect Rate	@ 22.70%	50,670.00	137,993.00	167,004.00	\$355,667.00
Travel					
In Town Mileage	\$0.50/mile	3,857.00	500.00	6,000.00	\$10,357.00
Out of Town	\$1,500/trip	4,000.00	10,000.00	15,000.00	\$29,000.00
Support for public education/training, data management and marketing		25,260.00	51,000.00	113,202.00	179,462.00
Sub-total Support Costs		\$83,787.00	199,493.00	\$291,642.00	574,922.00
TOTAL BUDGET		328,337.00	844,319.00	1,027,344.00	2,200,000.00

ATTACHMENT D-3(a)

Budget Justification

Personnel – For the three year program of the EnergyWorks KC Initiative, the EECBG grant will provide support for the following personnel:

Position	Annual Salary	3-Year Budget
Executive Director	\$80,000	\$66,642.00
Project Manager/Training Coordinator	\$60,000	\$166,500.00
EnergyWorks Customer Representatives*	\$42,500	\$864,389.00
Total Salaries	\$182,500.00	\$1,097,531.00

*4 FTE in Year 1 and 6 FTE in Year 2 and Year 3

Fringe Benefits – Fringe benefits are 28% of salaries - $\$1,097,531.00 \times 28\% = \$307,309.00$

Indirect Cost Rate – MEC's indirect cost rate is calculated using an approved procedure and rate which has been reviewed and approved by US Department of Energy. The proposed rate for 2012 is 22.7% of salaries plus fringe benefits. The responsible person is Joseph Saunders who can be contacted at Joseph.Saunders@NETL.DOE.GOV. The approved Indirect Cost budget, based on the approved Indirect Cost Rate is: \$355,667.00

Travel – It is projected the EnergyWorks KC Customer Representatives will travel 200 miles per month among the targeted neighborhoods to work with building owners, organizations and agencies. The in-region travel expenses are based on \$0.50 per mile times 200 miles per month times 36 months. \$10,357.00

It is anticipated that staff will attend 19 training conferences during the term of the grant at an estimated cost of \$1,500 per conference for registration, transportation, hotel accommodations, and per diem for a total of \$29,000.

Finance Management and IT Support – Laptop computers, IT services, and finance management will be contracted at \$279,672.00 for the 3-year grant period. Expenditures are projected at \$7,727.00 for Year 1 and Finance management and IT services for year 2 at \$108,886.00 and for year 3 at \$114,600.00

Support for Public Education/Training, Data Management and Marketing – Contractor training and marketing costs will be \$25,260.00 for year 1, \$51,000.00 for year 2, and \$113,202.00 for year 3, for a total cost all three years of \$179,462.00