



Better Buildings Neighborhood Program
Workforce/Business Partners Peer Exchange Call:
Approaches to Approved Contractor Lists

Call Slides and Summary

April 25, 2013

Agenda – Approaches to Approved Contractor Lists

- Call Logistics and Attendance
 - Roll call: Name, Program, and What would you like to get out of today's call?
- Discussion
 - What experiences have you had with using approved contractor lists?
 - What processes and/or criteria have you used to match customers with contractors using contractor lists? What has worked well or not well?
 - What strategies have you used for managing what contractors are on (and not on) your approved contractor list?
 - What kinds of information are appropriate to include in contractor lists that customers see?
 - Other questions/issues about using contractor lists or related topics?
- Future Call Topics

Participating Programs

- Austin, TX
- Bellingham, WA
- Boulder, CO
- Cincinnati, OH
- Madison, WI
- Michigan
- New York
- Omaha, NE
- Oregon
- San Diego, CA
- Seattle, WA
- Virginia
- Washington

Program Experiences: Community Energy Challenge, Bellingham, WA



- Community Energy Challenge (CEC) of Bellingham, WA uses RFQs to recruit contractors for its approved list, and a bidding process to match contractors with customer projects.
 - CEC uses a performance rubric to assess contractors in the bidding process.
 - Scores are added for rubric metrics (customer service, competitive pricing, continuing education, and QA) to evaluate contractor bids.
- CEC provides in-house training and offers certification opportunities to contractors, and awards those contractors who pursue continuing education.
 - In-house training is both a perk for participating contractors, and a service they have to pay for. CEC provides six free days of training per year through grants, and reduced-cost training for some.

Program Experiences: Clean Energy Works Oregon



- Clean Energy Works Oregon (CEWO) selects contractors through a rigorous application process. Prior to launching in a new market, CEWO reaches out to local contractors to invite them to apply. The application includes:
 - Quality of their work and their experience
 - Applicants must be Home Performance with Energy Star contractors
 - Letters of customer reference
 - High road standard (including diversity of workforce and who they contract with, benefits provided, etc.)
- The contractors are home performance contractors, some of which act as general contractors and subcontract some work.

Program Experiences: Clean Energy Works Oregon (Continued)



- How CEWO provides leads to approved contractors:
 - Approved contractors go through a graduated process to achieve full status in the program, including performing on high-road goals, and leads are allocated based on that status.
 - The number of leads that a full-status contractor receives through the program varies seasonally, but CEWO can provide as much as 8-10 per month. CEWO allocates more leads for larger crews.
- Contractors provide a blurb and a logo for their online profiles, and CEWO adds which counties they serve.
 - Soon the profiles will indicate which contractors are union members.
 - Customers can browse contractor profiles online.

Program Experiences: SustainableWorks, Washington



- SustainableWorks, WA is a general contractor that manages the upgrade process, conducts energy assessments, works with approved subcontractors to perform fee-for-service upgrades, and then conducts 100% test-in/test-out inspections of projects.
 - The program is required by state law to be a general contractor.
- SustainableWorks maintains a list of contractors for its program, which are solicited through trade agencies, utility contractor lists, and home performance organizations. It awards projects to contractors through geographic-based bid packs of 4-20 projects.
 - Contracts are bundled and sent out in bid packs to contractors based on scope, and contractors can evaluate them before bidding.
 - Pricing for the customer based on the RFP, which is then used to determine the sales point.

- SustainableWorks' contractor standards include:
 - Application requirements to participate in the program include living wage jobs, program standards, and other requirements.
 - Contractors can be rated as “preferred” by complying with high-road standards.
 - Contractors are required to provide documentation that they meet BPI standards in order to participate in the program.

- California Center for Sustainable Energy (CCSE) utilizes 1-5 “Yelp-style” reviews with a star ranking and narrative.
 - A survey showed that most respondents found the reviews to be useful in choosing a contractor.
 - CCSE piloted this contractor review system, and is considering expanding it.
- LEAP in Virginia considered user reviews of contractors, but instead opted for expanded contractor profiles.
- Energize New York is also using a contractor rating system.
 - Reviews are not made public, but contractors must meet a minimum average review to stay on the list. (If contractor scores are low, the program follows up with them.)
 - The system does favor larger contractors, but the results are weighted based on how much work is done.
 - A bond rating system (e.g. AAA, AA, bronze, silver, gold) can serve instead of a numerical ranking, so that the top-ranked contractor doesn’t receive all calls.

Approaches to Contractor QA/Feedback and Incentives



- Austin Energy has instituted a new QA system of collecting data on several measures and conducting targeted feedback with contractors to improve deficient areas.
 - Contractors are not moved to a suspended role, but the program may begin taking those steps in the future.
- Community Energy Challenge of Bellingham and Clean Energy Works Oregon have had to move contractors off of approved lists due to QA issues (e.g., from site inspections).
- Programs can encourage high performers through an awards ceremony. The media can be invited to this ceremony, with no cash award but public recognition.

Experiences with Contractor Fees

- SustainableWorks' business model as a general contractor incorporates a fee-for-service component.
- CEWO is moving to a revenue-generating model for its program, including business partnerships with contractors and discounted rates for preferred contractors.
- In the LEAP program in Virginia, contractors have expressed willingness to pay \$50 for a high-quality audit lead, and a 5% fee of the upgrade project cost.

Potential Future Call Topics

- Potential Future Call Topics and Interest from Participants:
 - Fee-Based Models for Energy Advisor Services: 86%
 - Designing “Contractor Friendly” Programs: 64%
 - Recruiting HVAC and General Remodelers for Whole House: 43%
 - Quality Control Inspections and Testing: 14%
- Participants suggested additional topics:
 - Lead generation
 - Contractor feedback or ratings
 - Home inspections
 - State registered apprenticeship programs for weatherization/retrofit installers and/or other job classes in home performance