

REQUEST FOR PROPOSAL



CITY OF INDEPENDENCE, MISSOURI
PURCHASING DIVISION
111 E. MAPLE, PO BOX 1019
INDEPENDENCE, MO 64051-0519
(816) 325-7087
(816) 325-7088 FAX

Independence Home Energy Loan Program Administration

Date: May 11, 2010

Request for Proposal: P-10-305

Response Deadline Date and Time: **June 1, 2010, at 2:00 p.m., Local Time**

Questions regarding this RFP should be submitted, via e-mail, to both:

Mickey Churchill, E-Mail: mchurchill@indepmo.org
and
Rob Buell, Email: rbuell@indepmo.org

A non-mandatory pre-proposal conference will be held at 2:00 p.m., May 18, 2010, in Conference Room D, City Hall, 111 E. Maple, Independence, MO 64050.

The City of Independence Purchasing Division and Onvia (DemandStar) are the only authorized sources of proposal forms. Proposal forms obtained from any other source may be incomplete. Offerors using a proposal form not obtained from the City of Independence Purchasing Division or Onvia risk not receiving any necessary addenda, eliminating their bid from consideration. Proposals must be received in the Purchasing Manager's Office by the date and time indicated, with opening immediately following in Purchasing Division, Ground Floor, City Hall. Submittal envelope must indicate proposal number and response deadline.

(ATTENTION BIDDER – COMPLETE AND RETURN WITH BID)

Bidder's Name: _____ Phone No.: _____
(Please print or type company name)

Internet E-Mail Address: _____ FAX No.: _____

Address _____ City _____ State _____ Zip _____

By: _____ Title: _____
(Name of Authorized Agent)

Signature: _____ Date: _____

Offeror **makes firm offer** and is not revocable within one-hundred-twenty (120) days after response deadline.

Offeror **does not make an offer** in response to this invitation. Why did you not bid? _____

NOTE: ALL PROPOSALS ARE SUBJECT TO THE TERMS AND CONDITIONS HEREIN.

REQUEST FOR PROPOSAL SUMMARY SHEET

Independence Home Energy Loan Program Administration

The City of Independence (City) invites interested firms to submit a **signed and sealed** proposal for services as described herein.

Proposals must be received by the Purchasing Manager, 111 East Maple, P.O. Box 1019, Independence, Missouri, 64050, marked, "**Independence Home Energy Loan Program, Proposal P-10-305**" no later than: **2:00 p.m., local time** on **June 1, 2010**.

Structure of the RFP

For the convenience of the offeror, this RFP is structured as follows:

- Section 1 – Summary of Request
 - Section 2 – Scope of Services
 - Section 3 – Compensation
 - Section 4 – Submission Requirements
 - Section 5 – Evaluation Criteria
 - Section 6 – Evaluation Process
 - Section 7 – Right of Protest
 - Section 8 – Proposed Timeline
 - Section 9 – Pricing Page
 - Attachment 1 – Affidavit
 - Attachment 2 – Professional Services Agreement (*for Contractor Management Services only*)
 - Attachment 3 – Home Energy Loan Program Description
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Obtaining the Request for Proposal

Offeror may download bid documents from Onvia (DemandStar), via the City's website, www.independencemo.org. Click *Businesses*, then *Bid Opportunities*. Bids may also be obtained by contacting the purchasing official identified on the Cover Page of this RFP.

Pre-Proposal Conference

A pre-proposal conference will held at 2:00 p.m. on May 18, 2010, in Conference Room D, City Hall, 111 E. Maple, Independence, MO 64050. Attendance is not mandatory, but all interested firms should attend as the services will be discussed in detail.

Independence Home Energy Loan Program Administration

RFP P-10-305

1. SUMMARY OF REQUEST

A. Background

The City of Independence (City) was notified on September 21, 2009, that an Energy Efficiency and Conservation Block Grant (EECBG) award of \$1,014,100.00 was issued to the City from the U.S. Department of Energy for implementing energy efficiency projects with funding under the federal American Recovery and Reinvestment Act of 2009 (ARRA). A total of \$250,000 from this grant award is being used to fund a loan program for residential energy efficiency improvements for existing homes in Independence.

The City of Independence Power & Light Department (IPL) is the lead City Department for the development and implementation of the loan program to be known as Independence Home Energy Loan Program (Program). As part of the development of this program, IPL has determined that it is necessary to have one partner financial institution (FI) administer the lending aspects of the program, as well as a partner contractor administrator to manage the recruitment, screening and training of home improvement contractors, HVAC contractors, and energy auditors approved to participate in the Program.

This Request for Proposal has two distinct scopes of services: 1) a FI partner scope of services and 2) a contractor management services scope of services. A qualified organization may bid on one or both of these scopes of services. The scopes of services are described in Section 2 of this Request for Proposals. A separate Agreement shall be entered into for each scope of services.

B. Description of the Program

The \$250,000 in federal funds allocated for the Home Energy Loan Program (Program) will be used as a loan loss reserve fund to be distributed to one FI partner for the purpose of credit enhancement in providing loans for qualifying energy efficiency improvements for existing owner occupied homes in Independence. The FI partner is expected to provide up to \$5 million in loan capital for energy efficiency loans ranging from \$1,000 to \$15,000 to qualified loan applicants to fund qualified home improvement projects. In addition, IPL will buy-down the interest rates for qualified energy efficiency investments to a low level to be determined through an agreement between City and the FI.

IPL will establish qualifying energy efficiency projects for the Program. There is no maximum household income requirement. Loan terms are subject to negotiation in the Agreement between the City and the FI partner, however it is expected that residents will have up to 10 years to repay loans in excess of \$5,000 and up to 3 years to repay loans less than \$5,000. The interest rate is expected to be between 1.99% and 8.99%. The program will be marketed through a network of approved certified contractors. The Program is anticipated to commence on or around July 15, 2010. A full description of the Program can be found in Appendix 3.

2. **SCOPE OF SERVICES**

The overall tasks of the Offeror(s) is to provide Program Administration services in order to assure an effective loan program. This includes two main areas of emphasis: 1) financial services including loan origination and related services, and 2) contractor management services. The Offeror(s) may respond to *one or both* of the services below (i.e., 2.1 or 2.2):

2.1 **Financial services, including loan capital designation, loan origination, loan servicing and related services**

A loan loss reserve in the amount of \$250,000 in funds from ARRA will be on deposit with the partner FI which is to be used to provide a 75% loan loss reserve of a single loan default to the participating FI in making loans under the Program. The financial related services requested for this loan program are:

i. Loan Capital: The Financial Institution (FI) or institutions will provide capital for a loan pool of up to \$5 million, or an amount to be negotiated between the FI and IPL.

ii. Loan Origination Responsibilities: A simple and fast loan application and decision process is key to the success of this program. The Offeror will provide the following services related to loan origination responsibilities:

1. Loan underwriting criteria, based on consumer credit scores and/or other relevant measures of consumer ability to pay.
2. Develop a Program loan application.
3. A toll free phone number and web site for easy processing of loan documentation and to serve as an informational resource for borrowers and contractors.
4. Verify that contractor performing the work being financed by the loan is Program certified. A list of certified contractors will be made available to the FI.
5. Obtain consent from borrowers to disclose to IPL relevant customer-specific information about the improvements made, financing provided, and pre-and post-installation energy savings estimates.
6. Communicate loan decision to IPL immediately upon approval/disapproval of the loan application.

iii. Loan servicing responsibilities:

1. Servicing of all loans through the full life of such loans or to make arrangements for other qualified parties to service such loans;
2. Making payments directly to contractors and homeowners;
3. Collections;
4. Management, tracking and reporting of financial transactions to IPL using a standardized format to which IPL has previously agreed. These reports will also need to be easily transferable into yearly reports to be presented to IPL. See 2.1 *vii.* for detailed reporting requirements.

iv. Establishing a fixed interest rate

1. The Offeror will work with IPL to establish fixed interest rates or sets of rates. It is anticipated the rates will vary at two levels based on the level of the customer's participation with the lowest interest rate offered for investing in whole-house energy

improvements versus a higher interest rate for a project that includes only an air conditioner or heat pump changeout.

v. Minimum Requirements:

The FI must be easily accessible to Independence residents through a branch location, online access, a designated phone number or a combination thereof. The FI must be able to service Program loans to residents throughout the City of Independence.

vi. RFP Submission Requirements

Please submit a proposal that includes:

1. Background on your company, including length of time in business, financial performance, core competencies, and relevant policies/procedures (e.g. training policies, loan collection procedures and identify theft detection and prevention policies/procedures);
2. Your understanding of the services sought in this RFP and the approach you propose for undertaking activities described in sections i. through v. above;
3. Your organization's relevant past work, capacity, and the expertise of proposed staff in carrying out home improvement loans between \$1,000 and \$15,000;
4. Contact information for three clients/references;
5. Resumes of key staff with a description of their role in the Program;
6. A timeline and budget (including any fees, if applicable) for the scope of work proposed;
7. A description of how the \$250,000 put on deposit at the FI for loan loss reserve fund will be administered and used, and an estimated maximum dollar amount of loans generated;
8. A description of proposed interest rates, required security (if applicable) and administrative charges to IPL (if applicable). It is anticipated that there will be one set of fixed interest rates for projects with only one energy conservation measure involved at a cost of \$10,000 (more or less), and there will be a lower interest rate for multiple projects improving energy efficiency for the whole house where the cost is about \$10,000-\$15,000. It is anticipated that loans less than \$10,000 would be unsecured, and that loans over \$10,000 may be secured or unsecured. Proposed administrative charges by the FI to IPL for costs associated with reporting, administration, etc. are allowed, but not required, to be include in the proposal;
9. A description of how the loans will be processed, including length of time for loan processing and ability of customers to contact FI to request loan; and
10. Clearly state how the loan loss reserve will impact any or all of the following compared to a home improvement loan made without the loan loss reserve fund:
 - a) Affect on determination of credit worthiness of loan applicant;
 - b) Decision to make secured or unsecured loans for varying amounts and types of loans (describe type of security to be required);
 - c) Loan terms (specify terms based on the amount of the loan);
 - d) Interest rates;
 - e) Required customer capital contribution;
 - f) Loan funds distributed to homeowner or contractor (s). It is preferred that loan funds go directly to contactor but this is not a requirement;
 - g) Any other loan features

Please review the evaluation criteria in Section 6 of this RFP for the elements which need to be included in the submitted proposal.

vii. Reporting Requirements:

Awarded offeror shall prepare, develop and deliver a detailed accounting of the status of the program in monthly, quarterly and annual reports with the following information:

1. Number and principal amount of loans closed during that period and in total since the beginning of the contract. Include loan recipient name and address and name of contractor performing services for each loan and approved energy efficiency activities funded through each loan.
2. Total amount of outstanding principal and interest of loans closed during that period and in total since the beginning of the contract.
3. Total number and principal and interest of any uncollectible loans written off during that period and in total since the beginning of the contract.
4. Status of the loan loss reserve fund during that period and since the beginning of the contract.
5. Any issues that the Offeror has encountered in implementation of this effort.
6. On July 30 of each year, the partner financial institution submit an annual report for the year ending June 30 on cumulative program successes, obstacles to program success and recommendations to improve the program.
7. Number of hours that each employee has worked on this program (to be used for job creation reporting for the federal government).

Any and all information gathered from IPL customers is for the sole purpose and use of IPL and the customer from which it is gathered. Information gathered during the implementation of the Program is not to be used by the Offeror for any other purpose without the express written permission of IPL.

Federal EECBG funds used for a loan loss reserve may only be used for the stated purposes of the Program. IPL shall have the right to review and monitor loans provided by a partner FI to ensure that loans are being made to support eligible activities. The City has no legal or financial obligation beyond the funds committed to the reserve and is not subject to further recourse in the event losses exceed the amount of the reserve.

Upon selection of a partner FI through this RFP, an Agreement between the City and partner FI will be made to enact loans through the Program. The Agreement, based on input from the Offeror, may result in changes to the Program as presented in this RFP. Should an Agreement not be reached with the FI, either the next highest rated FI will be selected as a FI partner, the City may reissue the RFP, or the City may cancel the entire project.

2.2 Contractor Management Services

A private or non-profit organization is needed to work with area Heating, Ventilation and Air Conditioning (HVAC) contractors and home improvement contractors to make sure contractors are aware of the Program and certify contractors for participation in the Program. Below are the services requested through this RFP. Please submit a proposal addressing experience of the Offeror in providing the services described below and how these services would be provided under the Program. Please review evaluation criteria in Section 6 of this RFP for elements which need to be included in the proposal.

- i. *Approved Contractor, Certified Contractor and Certified Auditor recruitment and screening responsibilities:* The Offeror shall identify a network of contractors and auditors who are skilled in providing energy efficiency or renewable energy products and services to residential homeowners. Contractors shall be specifically certified and approved to participate in the Program and to offer the loan product to IPL residential customers for approved energy efficiency measures. It is not expected that all contractors will have expertise in all areas of energy efficiency services, and the Offeror may choose to focus efforts on a subset of products and services. For instance, the Offeror may choose to identify the sub-markets of insulation or heating, ventilation and air conditioning contractors as a key target market. The Offeror shall recruit an appropriate number of certified contractors to perform across all identified measures.
- ii. It is expected that the Offeror shall screen and certify a minimum number of approved contractors, certified contractors and certified auditors to ensure sufficient contractor participation to serve the Program and IPL customer market. The Offeror will maintain a Contractor and Auditor Database, which is a database of certified contractors. Contractor and Auditor certification shall include criteria agreed upon by the successful Offeror and IPL. *Approved Contractor, Certified Contractor and Certified Auditor training responsibilities:* The Offeror shall provide education to certified contractors to inform them about:
 1. Strategies, opportunities and requirements for contractors to participate in this program.
 2. The loan application process for borrowers.
 3. The relevant program details including but not limited to: qualifying measures; program interest rates and terms.
 4. Business practices associated with being a certified contractor/auditor in the program.
 5. *Methods to market and sell the measures* identified to customers (see Attachment 3).
 6. Resources available to assist contractors in identifying and understanding incentives available to customers, including tax credits and utility rebates.
 7. Other relevant programs available to customers including but not limited to energy efficiency programs offered through the State of Missouri and federal government, including weatherization programs available to income qualified citizens and energy audit and equipment rebate programs.

It is expected that the Offeror will provide a series of not less than three training sessions per year to contractors in order to ensure a minimum number of training sessions are offered in the city each year. Each session is expected to last 3 hours. IPL will work with Offeror to set up a schedule of training sessions. IPL expects all approved contractors to have participated in at least one such session within 4 months of becoming an approved contractor. IPL is not establishing a specific numeric target for certified contractors recruited and trained. It is, however, expected that the Offeror will develop a network of participating contractors and auditors that is appropriate to produce a loan volume sufficient to provide for full use of the loan fund.

iv. Reporting Requirements:

Awarded offeror should prepare, develop and deliver the following deliverables each month:

- a) A description of contractor and energy auditor training and outreach activities conducted, including names of contractors and auditors and all attendance sheets and description of training provided.
- b) Any issues that the Offeror has encountered in implementation of this effort.

- c) A monthly updated list of approved contractors, certified contractors, and certified auditors by work type (HVAC, insulation, etc.).
- d) Number of hours that each employee has worked on this program (to be used for job creation reporting for the federal government).

3. **COMPENSATION**

Financial Services: The Financial Institution (FI) may or may not request compensation for the scope of work outlined in Section 2. All proposed administrative charges by the FI to the City for costs associated with reporting, administration, etc. must be listed on the pricing page of the RFP. The FI will be compensated, if applicable, based on the Agreement between the City and the chosen FI and the fees specified on the pricing page.

Contract Management Services: The Contractor will be paid for the services provided per the firm, fixed prices submitted on the pricing page.

4. **PROPOSAL SUBMISSION REQUIREMENTS**

Sealed proposals must be received no later than 2:00 p.m. local time, on **June 1, 2010** at the Purchasing Division, 111 East Maple, P.O. Box 1019, Independence, MO 64051-0519. The sealed proposal must be marked "**Independence Home Energy Loan Program**". The Offeror shall submit the following information/documents as part of the proposal:

- A. One original and (4) copies of the proposal
- B. Bid Affidavit
- C. Cover Sheet, completed and signed
- D. Information on the evaluation criteria
- E. Four originals of the Professional Services Contract, completed and signed, or a list of exceptions to be negotiated for Contract Management Services only.
- F. Any proposed agreement that requires a signature for the Financial Services only.

Note: Proposals will not be accepted after the deadline for submission, regardless of the reason for such lateness. Proposals that are received after the submission deadline will be returned to the offeror unopened. Any exceptions to the scope of services and/or contract contained herein must be submitted as part of the proposal. Firms selected for award will be required to provide proof of insurance, as stipulated herein.

5. **EVALUATION CRITERIA**

- A. Proposals for the ***Financial Administration Services*** will be evaluated in accordance with the criteria below. Respondents who respond to both sections of this RFP will be evaluated separately on each section.
 - 1. Overview/Experience - The ability of the Offeror to present a clear understanding of the overall Scope of Service (s) to be undertaken will be considered in the evaluation process. Emphasis will be placed on knowledge and experience with home loan programs. The Offeror should list the number of years providing these services under the current business name and a list of references, including contact person and phone number (up to 20 points).
 - 2. Scope of Services/Schedule – The Offeror’s plan to meet the requirements described in Section 2.1 of this RFP in the time frame specified shall be considered

in the evaluation process. Special attention will be given to the Offeror's detail in proposal addressing Items 2 and 10 under "Submission Requirements" of this RFP (up to 40 points).

3. Experience, Qualifications, Technical Expertise, Roles and Responsibilities of the Individuals to Perform the Work - Please include resumes, references, and any other relevant information, of the individuals to be assigned to this project, specifically the services outlined in Section 2.1. In addition, the roles/titles and responsibilities of all key individuals for the services specified in Section 2.1 should be identified (up to 20 points).
4. Cost – Any cost to the City will be considered in the evaluation process. Therefore, the Offeror must submit any firm, fixed fees for loan administration, reporting or any other service that will be charged to the City. Cost points will be calculated by multiplying the unit costs by an estimated number of services to be determined by the City. The lowest cost to the City will receive the maximum number of points in this category (up to 20 points).

B. Proposals for the **Contractor Management services** will be evaluated in accordance with the criteria below. Respondents who respond to both sections of this RFP will be evaluated separately on each section.

1. Overview/Experience - The ability of the Offeror to present a clear understanding of the overall Scope of Service (s) to be undertaken will be considered in the evaluation process. Emphasis will be placed on knowledge and experience with home energy efficiency improvement projects and contractors/auditors in the home improvement and HVAC market. The Offeror should list the number of years providing these services under the current business name and a list of 3-5 references, including contact person and phone number (up to 20 points).
2. Scope of Services/Schedule – The Offeror's plan to meet the requirements in the time frame specified shall be considered in the evaluation process. In addition to the plan to meet the requirements/timelines, the Offeror should submit documentation of past successes in meeting project deadlines and past successful efforts in cost savings, containment, and program administration. (up to 20 points).
3. Experience, Qualifications, Technical Expertise, Roles and Responsibilities of the Individuals to Perform the Work - Please include resumes, references and any other relevant information, of the individuals to be assigned to this project, specifically the services outlined in Section 2.2. In addition, the roles/titles and responsibilities of all key individuals for the services specified in Section 2.2 should be identified (up to 20 points).
4. Substantial Compliance - Any exceptions taken to the Scope of Work and/or Professional Services Agreement will be taken into consideration in the evaluation process. The offeror with the fewest number of exceptions will receive the highest number of points in this category (up to 10 points).

5. Cost – Not-to-exceed costs in addition to firm, fixed prices for workshops shall determine the points assigned in this category – see pricing page (up to 30 points).

6. EVALUATION PROCESS

The City will consider a proposal nonresponsive when critical information is lacking, or the submission represents a major deviation from the requirements of this RFP. Minor omissions or informalities may be waived at the sole option and discretion of the City. The City also reserves the right to reject any and all proposals, make no award or multiple awards as result of this solicitation. Responsive proposals will be evaluated in the following manner:

- A. An Evaluation Committee will review and rank all proposals individually on their technical merits and according to the criteria established in Section 6 of this RFP. The Committee may contact offerors if any clarification is needed on the proposal.
- B. Offerors whose proposals are ranked the highest by the Evaluation Committee may be asked to participate in an interview process to ensure a mutual understanding of both the City's requirements and the offeror's proposal. Interviews may be conducted either in person or by telephone. However, the Committee may decide that interviews are not necessary and make recommendations for award based on the information provided in the proposal.
- C. The firm that provides the City with the most reliable and cost effective services based on the established evaluation criteria will be recommended to the City Council for approval.

Note: In accordance with federal, state and local laws, the bid documents will be available for public review following: rejection of all bids; posting of the Notice of Intent to Award; execution of the contract and/or purchase order.

7. RIGHT OF PROTEST

A Notice of Intent to Award will be posted on the Internet at www.demandstar.com (Onvia). Any protest must be filed within five (5) business days of the date of posting of the Notice. Neither the City nor Onvia shall be responsible for directly notifying bidders of the Notice of Intent to Award. Protests must be received in the office of the Purchasing Manager and must contain the company name, address, phone number and signature of the authorized representative; solicitation number; a detailed statement describing the grounds for the protest; and supporting evidence or documents to substantiate the claim. The Director of Finance will review the information provided and issue a written decision within five (5) business days of receipt of the protest. This decision shall be final.

8. PROPOSED TIME SCHEDULE

RFP Issue Date	May 10, 2010
Pre-proposal Conference	May 18, 2010, at 2:00 PM
Deadline for Questions	May 27, 2010
RFP Close Date	June 1, 2010
RFP Evaluation	June 7-11, 2010
Recommendation to Council	June 21, 2010
Final Ordinance	July 6, 2010
Notice of Award	July 7, 2010

**CONTRACTOR MANAGEMENT SERVICES
PRICING PAGE
RFP P-10-305**

The Offeror agrees to provide the materials, personnel and all other resources required to complete the requirements outlined in the Scope of Services. An hourly rate of all disciplines, as related to these services, should accompany the proposal.

Contractor Management Services

- a) Contractor/Auditor screening \$ _____/screening
- b) Contractor/Auditor database maintenance \$ _____/per month
- c) Approved Contractor training, Certified Contractor training, and Certified Auditor training (include preparation time, materials, and training) \$ _____/session

Company: _____

Authorized Representative: _____

Title: _____

AFFIDAVIT

STATE OF _____)
) SS.
COUNTY OF _____)

_____ of the City of _____
_____, County of _____, State of _____,

being duly sworn on her or his oath, deposes and says:

1. That I am the _____ (Title of Affiant) of
_____ (Name of Bidder) and

have been authorized by said Bidder to make this affidavit on the Bidder's behalf;

2. No Councilmember, nor the City Manager, the Director of Finance or the City Purchasing Manager is financially interested in what the Bidder is offering to sell to the City pursuant to this invitation, nor is the Bidder a City employee or board member whose bid creates a conflict of interest. A conflict of interest would arise if a City employee or board member is in a position to affect either the decision to solicit bids or the selection of the successful bidder;

3. Bidder has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this Invitation; and

4. The authorized signer of this document certifies that the organization and each of its principals are not suspended or debarred by the City of Independence, State of Missouri or Federal government.

_____ (Name of Bidder)

By: _____ (Signature of Affiant)

_____ (Title of Affiant)

Subscribed and sworn to before me this _____ day of _____, 2010.

(SEAL)

NOTARY PUBLIC in and for the County of _____

State of _____

My commission expires:

**CITY OF INDEPENDENCE
PROFESSIONAL SERVICES AGREEMENT**

Attachment 2

THIS AGREEMENT, made by and between the City of Independence, Missouri (hereinafter called CITY) and _____ a _____ Corporation (hereinafter called CONTRACTOR).

WITNESSETH:

WHEREAS, CITY requires services for Contractor Management Services for the Independence Home Energy Loan Program and,

WHEREAS, CONTRACTOR is prepared to provide said professional services and shall give consultation and advice to CITY during the performance of said services;

NOW THEREFORE, CITY and CONTRACTOR in consideration of the mutual covenants contained in this Agreement, agree as follows:

ARTICLE 1 – TERM OF THE AGREEMENT

The term of this AGREEMENT shall be 36 months from Notice of Award.

ARTICLE 2 – SERVICES TO BE PERFORMED BY CONTRACTOR

CONTRACTOR shall perform the services set forth in the Scope of Services of RFP P-10-305.

ARTICLE 3 – PRECEDENCE OF DOCUMENTS

The CITY'S Request for Proposal and the CONTRACTOR'S Proposal are attached and incorporated by reference into this AGREEMENT. In the event of inconsistency or conflict between or among the provisions of this AGREEMENT and the provisions of the exhibits or attachments to this AGREEMENT, the provisions of this AGREEMENT shall take precedence over the exhibits and attachments, the exhibits shall take precedence over the attachments and the CITY'S Request for Proposal shall take precedence over the CONTRACTOR'S Proposal.

ARTICLE 4 – COMPENSATION

The CITY shall compensate the CONTRACTOR per the not-to-exceed fee schedule attached. The CITY'S payment terms are net 30 days from receipt of an accurate invoice.

The CITY is exempt from State of Missouri sales and use taxes on purchases made directly for the CITY. CONTRACTOR shall not include any sales or use taxes on transactions between the CONTRACTOR and CITY.

ARTICLE 5 – PERMITS AND LICENSES

The CONTRACTOR shall procure all necessary local permits and licenses, unless exempt under state law.

CONTRACTOR will abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this contract is performed, and will require the same of all subcontractors.

The CONTRACTOR must furnish and maintain certification of authority to conduct business in the State of Missouri.

ARTICLE 6 – OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

Except as otherwise provided herein, documents, drawings, and specifications prepared by CONTRACTOR as part of the services shall become the property of CITY.

ARTICLE 7 – CHANGES, DELETIONS, OR ADDITIONS TO AGREEMENT

Either party may request changes within the general scope of this AGREEMENT. If a requested change causes an increase or decrease in the cost or time required to perform this AGREEMENT, CITY and CONTRACTOR will agree to an equitable adjustment of the AGREEMENT price, period of service, or both, and will reflect such adjustment in a formal modification or amendment.

ARTICLE 8 – STANDARD OF CARE

CONTRACTOR shall exercise the same degree of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a planning professional under similar circumstances.

ARTICLE 9 – LIABILITY AND INDEMNIFICATION

Having considered the potential liabilities that may exist during the performance of this AGREEMENT and the CONTRACTOR'S fee, and in consideration of the mutual covenants contained in the AGREEMENT, CITY and CONTRACTOR agree to allocate and limit such liabilities in accordance with this Article.

CONTRACTOR agrees to defend, indemnify, and hold harmless CITY, from and against legal liability for all claims, losses, damages, and expenses resulting from death or bodily injury to any person and damage or destruction to property to the extent such claims, losses, damages or expenses are caused by its negligent acts, errors, or omissions. In the event such claims, losses, damages or expenses are caused by the joint or concurrent negligence of the CONTRACTOR and CITY, they shall be borne by each party in proportion to its own negligence.

CONTRACTOR shall indemnify CITY against legal liability for damages arising out of claims by CONTRACTOR'S employees.

ARTICLE 10– INSURANCE

Unless otherwise stated in the specifications, the CONTRACTOR shall procure and maintain insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the materials, equipment or supplies provided to the CITY. The insurer(s) must be licensed for business in the State of Missouri and maintain an A.M.Best rating of no less than A: VII; or an insurer approved by the CITY. Each policy requires a minimum cancellation notification of at least 30 days' advance written notice to the CITY.

- (1) General Liability Insurance, with bodily injury and property damage limits of \$1,000,000 for each occurrence with a \$2,000,000 general aggregate and \$2,000,000 products and completed operations aggregate.
- (2) Automobile liability Insurance for any owned, hired and non-owned vehicles, with bodily injury limits of \$1,000,000 for each person and \$1,000,000 for each accident, and with property damage limits of \$1,000,000 for each accident; OR \$1,000,000 Combined Single Limits, including bodily injury and property damage.

The above limits are the minimum acceptable and do not infer or place a limit on the liability of the CONTRACTOR. The CITY is to be named as an additional insured as the CITY's interest may appear in regards to the materials, equipment or supplies provided the CITY. The CONTRACTOR's insurance shall be primary and any insurance or self-insurance maintained by the CITY shall be excess for the CITY and not contribute with the coverage maintained by the Supplier.

The CITY shall not obtain worker's compensation insurance on behalf of the CONTRACTOR or the employees of the CONTRACTOR. The CONTRACTOR shall comply with the worker's compensation law concerning its business and its employees.

ARTICLE 11 – TERMINATION

CITY may terminate or suspend performance of this Agreement for CITY'S convenience upon written notice to CONTRACTOR. CONTRACTOR shall terminate or suspend performance of the services on a schedule acceptable to CITY. If termination or suspension is for CITY'S convenience, CITY shall pay CONTRACTOR for all the services performed till the date of the termination by the CITY or suspension expenses. Upon restart, and equitable adjustment shall be made to CONTRACTOR'S compensation.

This AGREEMENT may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this AGREEMENT. The non-performing party shall have fifteen calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

In the event that funding for the contract is discontinued, CITY shall have the right to terminate this contract immediately upon written notice to CONTRACTOR.

ARTICLE 12 – WAIVER

A waiver by either CITY or CONTRACTOR of any breach of this AGREEMENT shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE 13 – SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this AGREEMENT or the occurrence of any event rendering any portion or provision of this AGREEMENT void shall in no way affect the validity or enforceability of any other portion or provision of this AGREEMENT. Any void provision shall be deemed severed from this AGREEMENT, and the balance of this AGREEMENT shall be construed and enforced as if this AGREEMENT did not contain the particular portion or provision held to be void. The parties further agree to amend this AGREEMENT to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire AGREEMENT from being void should a provision which is of the essence of this AGREEMENT be determined void.

ARTICLE 14 – SUCCESSORS AND ASSIGNS

CITY and CONTRACTOR each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to the AGREEMENT and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this AGREEMENT.

ARTICLE 15 – ASSIGNMENT

Neither CITY nor CONTRACTOR shall assign any rights or duties under this AGREEMENT without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this AGREEMENT.

ARTICLE 16 – THIRD PARTY RIGHTS

Nothing in this AGREEMENT shall be construed to give any rights or benefits to anyone other than CITY and CONTRACTOR.

ARTICLE 17 – INDEPENDENT CONTRACTORS

Each party shall perform its activities and duties hereunder only as an independent contractor. The parties and their personnel shall not be considered to be employees or agents of the other party. Nothing in this AGREEMENT shall be interpreted as granting either party the right or authority to make commitments of any kind for the other. This AGREEMENT shall not constitute, create, or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

ARTICLE 18 – AUDIT

CONTRACTOR agrees that the CITY, or a duly authorized representative, shall, until the expiration of three (3) years after final payment under this AGREEMENT have access to and the right to examine and copy any pertinent books, documents, papers and records of the CONTRACTOR involving transactions related to this AGREEMENT.

ARTICLE 19 – RENEWAL OPTIONS

If specified in the original bid document, the City may exercise its option to renew the contract/agreement. The City will provide the contractor with a written renewal notice sixty (60) days prior to the expiration date of the contract period. Pricing shall be in accordance with the fees submitted on the original bid/proposal. All terms and conditions shall remain in effect during the subsequent renewal periods.

ARTICLE 20 – MODIFICATIONS/AMENDMENTS

The CITY may at any time, by written modification or amendment, make changes or additions within the general scope of this contract. If any such change causes an increase or decrease in the cost of or in the time required for performance of this contract or purchase order, the CONTRACTOR shall notify the Purchasing Manager in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of the contract. Any claim by the CONTRACTOR for such adjustment must be asserted within thirty (30) days or such other period as may be agreed upon in writing by the parties after the CONTRACTOR'S receipt of notice of the modification. Nothing herein contained shall excuse the CONTRACTOR from proceeding with the AGREEMENT as changed.

ARTICLE 21 – EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this AGREEMENT, the organization agrees as follows:

The organization will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin or any other legally protected category. The organization will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, age, color, religion, sex, or national origin. Such action shall include, but not to be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The organization agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

The organization will, in all solicitations or advertisements for employees placed by or on behalf of the organization, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex, or national origin.

The organization will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding a notice to be provided by the Contract Compliance Officer advising the said labor union or workers' representatives of the organization's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The organization will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The organization will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his or her books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the organization's noncompliance with the non-discrimination clauses of this agreement/contract or purchase order with any of the said rules, regulations, or orders, this agreement/contract or purchase order may be canceled, terminated, or suspended in whole or in part, and the organization may be declared ineligible for any further government agreement/contracts or purchase order or federally assisted agreements/contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The organization will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The organization will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions, including sanctions of noncompliance; provided, however, that in the event an organization becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Department, the organization may request the United States to enter into such litigation to protect the interest of the United States."

ARTICLE 22 – GOVERNING LAW

This AGREEMENT shall be governed by the laws of the state of Missouri.

ARTICLE 23 – COMMUNICATIONS

Any communication required by this AGREEMENT shall be made in writing to the address specified below:

CONTRACTOR:

FIRM NAME, CONTACT PERSON AND ADDRESS

CITY:

City Clerk, 111 E. Maple, Independence, MO 64050
CONTACT PERSON AND ADDRESS

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of CONTRACTOR and CITY.

ARTICLE 24 – SEPARATE AGREEMENTS

CITY and CONTRACTOR each reserve the right to, from time to time; enter into other agreements or contracts for specific projects. If such agreements or contracts are separately approved in writing by the parties, the terms and conditions of those agreements or contracts shall prevail for the specific projects set forth therein.

ARTICLE 25 – ENTIRE AGREEMENT

This document, and attachments, represent the entire AGREEMENT between the CITY and CONTRACTOR. All previous agreements, representations, promises and conditions relating the CONTRACTOR'S services described herein are superseded.

ARTICLE 26 – SURVIVAL OF TERMS

The following provisions shall survive the expiration or termination of this AGREEMENT for any reason: if any payment obligations exist, Article 4 – Compensation; Article 5 – Permits and Licenses; Article 9 – Liability and Indemnification; Article 12 – Waiver; Article 13 – Severability; Article 15 – Assignment; Article 17 – Independent Contractors; Article 22 – Governing Law; Article 25 – Entire Agreement; and this Article 26 – Survival of Terms.

IN WITNESS WHEREOF, CITY and CONTRACTOR, by and through their authorized officers, have made and executed this AGREEMENT

CITY OF INDEPENDENCE, MISSOURI

CITY

By _____
Robert Heacock, City Manager

Date _____

CONTRACTOR

By _____

Title _____

Date _____

Approved as to Form:

City Counselor

Attachment 3 Independence Home Energy Loan Program Description

Program Overview

The residential energy efficiency loan program, to be known as Independence Home Energy Loan Program (Program), is being funded with \$250,000 from Energy Efficiency and Conservation Block Grant (EECBG) funds through the American Recovery and Reinvestment Act of 2009 (ARRA) and supplemental administrative funding through Independence Power & Light (IPL). It is envisioned that the Program will be an on-going program lasting several years. Any Independence resident in an owner-occupied dwelling who has qualifying home energy efficiency projects and meets qualifying credit worthiness criteria may be eligible for the Program. There is no maximum household income required for participating in the Program.

A credit enhancement in the form of a \$250,000 loan loss reserve fund will be provided to a participating financial institution that provides capital for energy efficiency loans through the Program. The financial institution is expected to loan up to \$5 million under this program. In addition, IPL will buy-down the interest rates for qualified energy efficiency investments to a level to be determined through an agreement between IPL and the FI.

The financial institution will provide unsecured, low-interest loans of about \$1,000 to \$10,000 to qualifying residential homeowners (exact dollar amounts to be determined). Loan terms are subject to negotiation, however it is expected that residents will have up to 10 years to repay loans in excess of \$5,000 and 3-5 years to repay loans less than \$5,000. The interest rate is expected to be between 1.99 and 8.99%. Loans from \$10,000 to \$15,000 which may or may not be secured (subject to negotiation) are expected to have lower interest rates than unsecured loans under \$10,000.

The program will be marketed through a network of Approved Contractors, Certified Contractors and Certified Auditors (see Chart 1). The Program is anticipated to commence on or around July 15, 2010. Work funded through this program must meet certain federal requirements placed on all EECBG grantees, including financial and activity reporting requirements, which are noted in the Request for Proposals.

Through the Program, contractors will provide work to Independence homeowners under one of the following categories:

1. *ENERGY STAR® eligible measures*: Homeowner selects measure from list of qualifying measures. An energy efficiency checklist is completed by contractor but no further audit is needed. (See Chart 2 for details.)
2. *Home Performance with ENERGY STAR® audit-based full response*: Requires Home Performance with ENERGY STAR audit performed by a Certified Auditor. The Certified Auditor explains recommended measures and financing options. Although they are not required to do so, homeowners are encouraged to implement the top recommended energy savings measures identified by the audit. Only projects recommended by the *Home Performance with ENERGY STAR* audit qualify for a Program loan. (See Chart 2 for details.)

Participant Qualifications

To qualify for the program, participants must meet the following criteria:

- Home must be located within the City of Independence
- Property must be on IPL's residential electric rate
- Households must have acceptable credit history, based on the financial institutions' specified credit check
- Loan applicants must be the owner-occupant of the residential property seeking financing

- Only eligible energy efficiency measures qualify for Program loans

Loan Application Process for Participants

The Independence Program will be marketed primarily by IPL, and promoted and driven by contractors. In some cases, customers will approach IPL. In other cases, participating contractors and financial institution(s) will promote their affiliation with the Program through marketing materials. Regardless of the flow of contact between the customer, contractor, IPL and financial institutions, the loan application process remains the same.

- Step 1.** Customer works with a certified contractor or auditor to identify qualifying energy-efficiency improvements. A list of approved contractors and auditors will be available at a website accessible through www.indepmo.org/pl or another approved web site. A customer can choose from the Program's list of eligible measures or audit-based measures.
- Step 2.** The customer submits a loan application through the participating financial institution. The financial institution verifies that the chosen contractor is on the list of approved contractors and that the proposed work is eligible.
- Step 3.** Contractor works with pre-approved customer to finalize the work plan based on the needs and approved loan amounts.
- Step 4.** The contractor installs the equipment according to the work plan and contract with the customer. If an energy audit was performed, a "test out" procedure will also be conducted to ensure that the improvements were installed properly. As necessary, the work plan can be modified to address any health/safety issues identified during the installation process or the test-out procedure.
- Step 5.** The contractor certifies that the installed measures qualify for financing and IPL conducts an on-site inspection to verify. After verification, the contractor obtains the customer's signature on a certificate of completion and submits the signed certificate to the lender. This triggers payment to the homeowner or contractor and loan closing.
- Step 6.** The customer repays the loan via direct billing by the lender.

Interest Rates

The maximum interest rate financial institutions can charge for a Program loan is subject to the Agreement by the participating financial institution and the City of Independence. Interest rates for borrowers may be in two tiers, with IPL buying down the interest rate for the audit-based full response option. (As an example, similar programs offer 7% loans for the eligible measures option and 5% for the Home Performance with ENERGY STAR option, with IPL buying the rate down 2%). Loans will be at a fixed rate with no prepayment penalty. IPL will work with the FI to come to an Agreement for the interest rates.

Length of Loan

Loan terms will be based on the Agreement between the City of Independence and the participating financial institution.

Loan Loss Reserve Fund

A loan loss reserve fund of \$250,000 will be distributed to one financial institution that will offer Program loans. These funds, which come from the federal EECBG program, will be used solely for the benefit of the lender to which it belongs. Lender will have access to their loss reserve fund when a loan is at least 90 days delinquent. The lender can claim up to 75% of unpaid loan principal and accrued interest from this fund.

Per federal guidance, all program income (including interest earned) paid to grantees is subject to the terms and conditions of the original grant which specifies that all income generated must be reinvested into eligible activities. In compliance with this, the interest generated from the loan loss

reserve fund will be reinvested into the loan loss reserve fund or will be used by IPL to partially fund program administration.

Program Administration

IPL will contract for revolving loan administration and contractor management services. This program involves two primary components: The City is requesting proposals from organizations that can provide *one or both* components, and will choose administrators by the expected program start date of July 15, 2010.

Contractor Management Services

An outside vendor will provide management for the contractor and auditor component of the Program. Best practices from other residential loan programs have shown that the most successful programs are contractor-driven. The contractor management involves recruitment, screening, certification, database oversight, and trainings. See Chart 1 for contractor and auditor definitions and requirements.

Financial Services

IPL will partner with a financial institution, to provide services related to loan services including loan origination, loan servicing, payment to contractors, and co-marketing. The financial institution/organizations(s) will provide capital for the loans.

Independence Power and Light (IPL) Responsibilities

IPL will manage all aspects of the Program and will ensure that all program participants receive high-quality service at each step of the process.

Program Funding

IPL will provide a credit enhancement in the form of a \$250,000 loan-loss reserve fund from the Energy Efficiency and Conservation Block Grant (EECBG). IPL will use its own funds for any related administrative costs and interest rate buy-downs. The program will be an on-going program funded through the IPL budget, contingent on City Council approval.

Review and Approval of Plan

IPL will monitor compliance by approved contractors and auditors to assure adherence to program rules and standards. IPL will also monitor loans issued to assure that program activity is meeting program goals and objectives.

Measurement and Verification

IPL will complete all on-site verification of installed measures and equipment. Based on engineering estimates, IPL will measure the energy savings and will report this to the federal government as required.

Marketing

IPL will provide marketing materials for the program including print materials, advertisements and brochures. Contractors and financial institutions may create their own marketing materials; however, these materials must include the IPL logo and be approved by IPL.

Eligible Upgrades and Installation Summary

The Program will offer a flexible portfolio of financing options for residents. Two upgrade and installation tiers will be offered:

1. *ENERGY STAR Eligible Measures*

The list of eligible measures for residential customers includes common improvements such as heating, ventilation, and air conditioning (HVAC) systems; and measures such as air sealing and insulation. (See Chart 2.)

While not exhaustive, this list allows for financing of a limited set of measures for customers with immediate needs, such as furnace replacement, or customers who, for whatever reason, are not interested in a comprehensive audit.

2. *Home Performance with ENERGY STAR®-based Full Response Measures*

Under the audit-based full response, or whole home approach, the customer receives a comprehensive home energy assessment from a certified energy auditor. The audit will use the audit standards of the Building Performance Institute (BPI), including applicable modeling software and “test-in”/“test-out” procedure, to assess the home, identify all cost-effective improvements, and ensure quality and safe installation (see Chart 1 for details). To be eligible for financing, customers must implement measures identified by the auditor. The measures are not limited to those on the eligible measures list. Customers are encouraged to implement measures that will achieve cumulative energy savings of 20 percent or more. Whenever recommended, health and safety measures must be implemented for the project to be eligible for financing.

Contractor Requirements

Only Program Approved Contractors, Certified Contractors and Certified Auditors can perform the work. Visit www.independencemo.org/pl or another approved web site, or call (816) 325-7485 to find approved contractors in your area. If you would like to use a contractor or auditor who is not currently approved, they may contact the City about becoming an Approved Contractor, Certified Contractor or Certified Auditor.

There are two levels of contractors and one level of energy auditor certification in the Program. The Program does not promote any one contractor but maintains a directory of contractors. The definition and requirements for each level of contractors are explained below.

Approved Contractors have been reviewed for financial stability and are currently authorized to perform work under the qualifying measures loan program, but may not perform work associated with the Home Performance with ENERGY STAR® program. Approved Contractors must have all necessary City and State business licenses and permits to perform work in the City of Independence, and must receive training for the Program.

Certified Contractors are Approved Contractors who also have achieved BPI (Building Performance Institute) certification or accreditation. BPI is the nationally recognized designation for building and energy professionals who have undergone rigorous training on “whole house” energy improvements. Certified contractors are authorized to perform all work under the program.

Certified Auditors are professional energy auditors certified by BPI and familiarity with an approved software to conduct home energy audits. (Auditors who have certification in the Kansas City Power and Light/Missouri Gas Energy Home Performance with ENERGY STAR program would qualify as a Program Certified Auditor.) Additionally, Certified Auditors must receive program training specific to the Program. Certified Auditors may work independently from your contractor or they may be Certified Contractors who have also met the qualifications to perform as Certified Auditors. Participants must have an audit performed by a Certified Auditor to utilize the Home Performance with ENERGY STAR loan option.

Accountability

Energy auditors or contractors may not be approved to participate in the Program at the sole discretion of IPL at any time. Reasons for not being approved may include complaints from IPL customers, not having required licenses or permits, or having multiple instances of installing incorrect efficiency equipment and/or inadequate workmanship.

Contractors offering Independence Program financing or work must provide high-quality work. Oversight of contractors will include file checks as well as random field inspections of a percentage of jobs. This quality assurance role will be performed by IPL and the designated Contractor Manager.

Note: Contractor terms and requirements are subject to change prior to program implementation. Independence Power and Light and the chosen Contractor Manager will come to an agreement about Contractor and Auditor terms and requirements.

Chart 1: Contractor Work and Requirements

Approved Contractors	Certified Contractors	Certified Auditors
<p>May perform only work related to ENERGY STAR® eligible measures.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Must have a business license from the City of Independence 2. Must have required permits for work being performed 3. Must have training through the designated Contractor Manager 	<p>May perform all work, both related to eligible measures and Home Performance with ENERGY STAR®.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Must have a business license from the City of Independence 2. Must have required permits for work being performed 3. Must have training through the designated Contractor Manager 4. Must have attained BPI* certification <p><i>*Building Performance Institute</i></p>	<p>May perform work related to Home Performance with ENERGY STAR®.</p> <p>Requirements:</p> <ol style="list-style-type: none"> 1. Must have a business license from the City of Independence 2. Must have required permits for work being performed 3. Must have training through the designated Contractor Manager 4. Must be certified by BPI* and familiar with an approved software to conduct home energy audits

Chart 2: Independence Home Energy Loan Program Eligible Measures

	<p>Home Performance with ENERGY STAR® Loan</p>
<p>ES Air Source Heat Pumps ES Central AC Systems ES Furnaces (all fuels) Must be ES certified except for indoor solid fuel burning furnaces (wood, coal, etc.) which must have a minimum 78% AFUE. ES Water Heaters ES Ceiling Fans Programmable Thermostats With NFRC label, U factor .35 or less ES Windows/Doors With NFRC label, U factor .35 or less Air Sealing and Insulation ES Certification not required, provided that all of the following must be completed:</p> <ul style="list-style-type: none"> • Air sealing of the home and ducts is performed, and • Ceiling insulation installed achieves R-38 or better*, and • Floor insulation installed achieves R-25 or better* • Wall insulation installed achieves R-15 or better* <p>*Unless structural limitations prevent achievement of these insulation levels, in which instances the maximum R-value that can be achieved is required.</p> <p>Geothermal Heat Pumps Closed Loop Geo-Exchange Systems Only EER ≥ 14.1, COP ≥ 3.3</p> <p><i>Work must be performed by Approved Contractor or Certified Contractor.</i></p>	<p><i>Home Performance with ENERGY STAR</i> qualifying Improvements consist of the comprehensive “whole house” energy audit conducted by a Certified Auditor and the recommended energy improvements presented by the Certified Auditor as a result of the audit. Work must be performed by a Certified Contractor.</p> <p>An initial energy audit is conducted, which recommends energy conservation measures. The audit must be in line with the Home Energy Assessment requirements in the Home Performance with ENERGY STAR program.</p> <p><i>Work must be performed by a Certified Contractor.</i></p> <p><i>Audit must be performed by a Certified Auditor.</i></p>

Final eligible measures will be determined by the Contractor Management Services Offeror and the City.

Independence Power & Light guidelines are subject to change at any time, without notice.

Last revised May 10th, 2010.