



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: 2/6/2018

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

Tucson Electric Power Company

***Project Title/Description:**

Low Income Weatherization Program Service Agreement

***Purpose:**

This contract provides additional utility funding that leverages and supports the Pima County Home Repair & Weatherization Program administered by Community Development & Neighborhood Conservation Department. Term of contract will be until December 31, 2018, grant revenue from TEP will be \$11,250.

***Procurement Method:**

This IGA is a non- Procurement contract and not subject to procurement rules.

***Program Goals/Predicted Outcomes:**

Installation of energy efficient measures for homes of income eligible Households that are TEP customers including elderly, persons with disabilities, and families with children in unincorporated Pima County and Towns of Marana, Oro Valley and Sahuarita.

***Public Benefit:**

Improved housing stock by providing eligible persons with energy efficient home repair and weatherization services.

***Metrics Available to Measure Performance:**

Number of completed jobs and funds expended as required by funder.

***Retroactive:**

Yes, Contract was not received until 1/12/2018. The contract was then approved on 1/26/18 by the County Attorney.

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Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e.,15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$* _____ Revenue Amount: \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

***Is the Contract to a vendor or subrecipient?** _____

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e.,15-123): _____

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ _____

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: GTAW Department Code: CD Grant Number (i.e.,15-123): 18-058

Effective Date: 1/1/2018 Termination Date: 12/31/2018 Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ 11,250.00

***All Funding Source(s) required:** Tucson Electric Power

***Match funding from General Fund?** Yes No If Yes \$ _____ % _____

***Match funding from other sources?** Yes No If Yes \$ _____ % _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?** _____

Contact: Jesus O. Duran

Department: CDNC Telephone: 724-6787

Department Director Signature/Date: Daniel G. [Signature] 1/29/18

Deputy County Administrator Signature/Date: [Signature] 1/30/18

County Administrator Signature/Date: C.R. [Signature] 1/30/18
(Required for Board Agenda/Addendum Items)



Tucson Electric Power

This Low Income Weatherization Program Services Agreement (“Agreement”) is entered into as of the 1st day of February 2018 (“Effective Date”), by and between Pima County through its Community Development and Neighborhood Conservation Department, a body politic and corporate of the State of Arizona (“CDNC” or “County”) and Tucson Electric Power Company (“TEP”) to provide assist to low-income TEP customers in the TEP service area with weatherization services (“Program”). TEP and CDNC may be referred to individually as “Party” or collectively as the “Parties.”

1. Scope of Work

1.1. TEP will collaborate with County, through its Community Development and Neighborhood Conservation Department (“CDNC”) as provided herein to provide home weatherization improvements for certain qualified TEP low-income customers under the Program. County will administer the Program in accordance with the guidelines established by the Arizona Department of Housing, (“ADOH”) and will follow the most current approved state Weatherization Assistance Program (“WAP”) requirements.

1.2. County will administer the Program in the unincorporated areas of Pima County and in the incorporated cities and towns within Pima County, except the City of Tucson and the City of South Tucson (“the CDNC service area”).

1.3. When determining weatherization repairs for each home, County will make every effort to utilize TEP funding first for Energy Efficient (“EE”) measures that provide energy savings to TEP before allocating EE funds to other sources. EE measures are required to provide a Savings to Investment Ratio (“SIR”) of greater than or equal to one as determined by a State of Arizona's WAP-approved EE measure. TEP has provided herein as Attachment "A" a guideline of some common weatherization measures that County may use to determine funding requests from TEP. Measures on this Attachment are subject to change and notification of such changes will be provided to County in the form of an amendment to this Agreement. Approval of funding for any of these measures is not guaranteed, as final approval is determined by, the ADOH, TEP or by mutual agreement of both.

1.4. Eligibility and Limits. Subject to the limits set forth herein, TEP will reimburse County to weatherize Eligible Customers’ single-family homes and mobile homes located in the CDNC service area:

1.4.1. Only TEP customers meeting the income poverty levels established annually by the federal Low Income Home Energy Assistance Program (“Eligible Customers”) will be eligible for Program services;

1.4.2. Program participants who are not already on TEP’s Lifeline Pricing Plan (“LPP”) shall be informed about the opportunity to participate in the LPP. County shall distribute TEP provided brochures during the intake process.

1.4.3. Program services must be offered free of charge;

- 1.4.4. Program services will not be available to applicants if the home is for sale at the time the application is submitted;
 - 1.4.5. The maximum TEP reimbursement for any Eligible Customer must not exceed \$3,000.00 per residence; and
 - 1.4.6. County may establish an additional administration fee, but this fee cannot exceed 10% of the per residence reimbursement. TEP will not be responsible for any weatherization or health and safety costs for any residence in excess of allocations approved in this Agreement.
- 1.5. Safety. The WAP rules consider Health and Safety to be a critical factor in assuring the health and safety of occupants. The following conditions apply:
- 1.5.1. TEP will reimburse County up to 25% per Eligible Customer residence for Health and Safety measures completed under the Program.
 - 1.5.2. The 25% allocation for health and safety repairs must be part of and not in addition to the \$3,000.00 maximum reimbursement for each home.
 - 1.5.3. The allowable annual 25% funding for Health and Safety will be based on each month's funding requested by County on submitted invoices, not 25% of the overall budget.
 - 1.5.4. Any funds expended for such health safety repairs will be reported separately by County as provided in Section 2 below.
- 1.6. Any construction contractors hired by County to weatherize homes under the Program must meet all criteria established in rules and possess certifications required by ADOH.

2. Program Reporting, Invoicing and Accruals

- 2.1. Reports. In addition to the Projection Reports set forth in Section 4 below, County and TEP have the following reporting requirements under this Agreement:
- 2.1.1. County.
 - 2.1.1.1. County will complete the required details of each customer's eligibility and the specifics of the customer's job using the on-line database utilized by the ADOH for data collection and data input.
 - 2.1.1.2. County will take all reasonable steps necessary to ensure that honest information on the customer's financial eligibility, home condition and eventual weatherization repairs and costs are entered into the ADOH database.
 - 2.1.1.3. County is not required to provide TEP with reports necessary to meet TEP's regulatory reporting requirements.
 - 2.1.2. TEP.
 - 2.1.2.1. TEP will have "read only" authorization to review the ADOH database and the specific details of each job submitted by County. TEP will use the information entered into the database to confirm and approve County's reimbursement requests.

2.1.2.2. TEP is responsible for providing all reports necessary to meet TEP's regulatory reporting requirements.

2.2. Invoicing and Accruals.

2.2.1. County.

- 2.2.1.1. County will submit an invoice to TEP every month, even if the amount being requested is zero dollars (\$0.00).
- 2.2.1.2. County will submit accruals for monthly expenses within tolerance levels that do not exceed two-percent (2%) under or over the monthly expense.
- 2.2.1.3. County will follow the Accrual/Invoice Schedule and Accrual Form attached herein as Exhibits "A" and "B".
- 2.2.1.4. Each monthly invoice must:
 - 2.2.1.4.1. Have a unique invoice number, (use of dates as the invoice number is insufficient);
 - 2.2.1.4.2. Include:
 - 2.2.1.4.2.1.1. Current TEP purchase order number
 - 2.2.1.4.2.1.2. Customer name;
 - 2.2.1.4.2.1.3. Assigned Job Number from the ADOH database; and
 - 2.2.1.4.2.1.4. Total funding request for each specific job.
 - 2.2.1.4.3. Be accompanied by an overall summary breakdown that provides the following total figures to date:
 - 2.2.1.4.3.1. Weatherization costs;
 - 2.2.1.4.3.2. Health and Safety costs;
 - 2.2.1.4.3.3. Administration costs; and
 - 2.2.1.4.3.4. Grand total.
- 2.2.1.5. Invoices for weatherization jobs that occur in December of each year must be submitted to TEP for payment no later than January 31st of the following year. Those expenses that occur in December must be "reserved" for that budget year using the accrual process described in Attachment "B" herein. Failure to comply with this end of year process may result in a reduction in County's annual budget for the subsequent year.

2.2.2. TEP.

- 2.2.2.1. TEP will review each invoice using the ADOH database to determine if the submitted expenses qualify under the WAP rules.

- 2.2.2.2. TEP will withhold payment on invoices for any job which is not in completed and submitted status in the ADOH database such time as that status changes in the database.
- 2.2.2.3. TEP at its sole discretion can deny payment on any job, specific measure provided on a job or invoice if any Weatherization requirements are not met. These may include but are not limited to:
 - 2.2.2.3.1. Customer does not meet the financial eligibility;
 - 2.2.2.3.2. Customer is not a TEP customer; and
 - 2.2.2.3.3. Measure(s) do not meet the WAP requirements;
- 2.2.2.4. Job includes funding request for Health and Safety and County has exceeded its Health and Safety budget allocation; or
- 2.2.2.5. Funding request exceeds the maximum per home allocation.
- 2.2.2.6. In the event of a payment denial, County may request a review from TEP and/or the ADOH to determine if corrections can occur to allow County to re-invoice TEP. In some cases, adjustments can be made by the ADOH by reallocating funding requests to other sources which would allow County to re-invoice TEP.
- 2.2.2.7. Upon approval of submitted invoices, TEP will process the invoice for payment. Payment terms will be N-15 from date of approval.

3. Funding Terms

- 3.1. The overall Low Income Budget amounts for Low Income Weatherization ("LIW") agencies in TEP's service territory, including County, are subject to Arizona Corporation Commission ("ACC") approval. Due to the nature of Arizona's regulatory environment, EE programs, budgets, and scope of work may change, up to and including being canceled in whole or in part, based upon ACC decisions and/or TEP's EE program requirements relevant to its EE portfolio. Funding not expended with the calendar year is not transferrable to the next calendar year.
- 3.2. Allocations to each LIW agency are determined in part by the population served by that agency and/or the agency's historical performance. To best serve eligible customers in TEP's service territory, TEP can at its discretion increase or decrease the annual budgets of the LIW agencies.
- 3.3. Upon review of County's performance and a reasonable expectation that funding previously allocated to County for a specific budget year will not be utilized, TEP at its sole discretion can reduce County's annual budget and transfer all or some percentage of those unused funds to another LIW agency that serves TEP's customers. Notification of any decrease of County's annual budget will be provided to County in the form of an amendment to this Agreement. Any reduction in County's budget will be prospectation only.
- 3.4. In the event that TEP's review of County's performance indicates that additional funding to provide services is warranted, TEP may provide additional funding to County subject to the following:

- 3.4.1. County must request additional funding in writing (email or fax is acceptable). The request must be signed by both the Program Coordinator and Director of Community Development and Neighborhood Conservation.
- 3.4.2. TEP will review the request and job projections provided by County pursuant to paragraph 4.1 below.
- 3.4.3. TEP will notify County in writing (email or fax is acceptable) on the outcome of its review. This notification will include the status of the request (approved or denied), amount of additional funding if applicable and any additional information including specific terms or explanations in the case of a denial.
- 3.4.4. Any increase in County's annual budget will be in the form of an amendment to this Agreement.
- 3.4.5. Additional funding in any budget year must be requested on or before November 1st.

4. Projection Reports

- 4.1. County will provide TEP with a quarterly projection report that includes, at a minimum, the following information:
 - 4.1.1. Number of homes currently in progress;
 - 4.1.2. Estimated funding to TEP for those homes in progress;
 - 4.1.3. Number of approved homes in the queue but not yet started;
 - 4.1.4. Estimated completion dates of homes in progress or in queue;
 - 4.1.5. Number of applications under review for approval; and
 - 4.1.6. Any other information that may be pertinent to LIW job projection.
- 4.2. Based on TEP's calendar year budget, County must submit the projection reports as follows:

Report Period	Date due to TEP
January, February, March	No later than December 15 of the previous year
April, May, June	No later than March 15th
July, August, September	No later than June 15th
October, November, December	No later than September 15th

5. Annual Budgets.

- 5.1. For budget year 2018, TEP will reimburse County up to **\$11,250.00** for weatherization services provided under this Agreement. County may use this allocation for all jobs completed between January 1 and December 31 of 2018.
- 5.2. Cost allocations are as follows:
 - 5.2.1. Administration costs may not exceed 10% of the total amount invoiced up to a maximum total of **\$1,022.73**.

5.2.2. Health and Safety costs may not exceed 25% of actual spending as described in paragraph 1.5.3 above.

5.2.3. If County expends the entire budget year allocation set forth in this paragraph, additional funding may be available. See the terms and conditions for requesting additional funding in paragraph 3.4 above.

5.3. Budget amounts for successive years may change in accordance to those specific terms noted above in Section 3. Annual budget amounts will be provided to County as an amendment to this Agreement no later than January 31st of the new budget year.

6. Term and Termination

6.1. This Agreement will commence on the Effective Date and shall continue until December 31, 2018, unless sooner terminated or further extended as provided herein. The parties may renew this Agreement for up to three (3) additional one-year periods or any portion thereof.

6.2. Any modifications, or extension of the Agreement termination date, shall be by formal written amendment executed by the parties hereto.

6.3. Either party may terminate this Agreement and any Scope of Work hereunder at any time with or without cause upon thirty (30) days written notice.

6.4. If either Party commits any material breach of any covenant or warranty under this Agreement and fails to remedy such breach within fifteen (15) days of receipt of written notice thereof, the non-breaching Party may immediately thereafter terminate this Agreement, in whole or in part by providing five (5) days written notice of the termination and reason therefore.

6.5. If this Agreement is terminated after County has completed the weatherization services on any eligible customer's job, County will be paid for those jobs completed prior to the termination date that are in compliance with the Low Income Weatherization Program requirements set forth in this Agreement.

7. **Indemnification.** To the fullest extent permitted by law, County agrees to defend, indemnify, and hold harmless TEP and its officers, agents, and employees from all claims, losses, and causes of actions arising out of, resulting from, or in any manner connected with County's performance of this Agreement.,

8. Non-Discrimination.

8.1. The Parties agree to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors.

8.2. During the performance of this contract, the Parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

9. **Americans with Disabilities Act.** The parties shall comply with all applicable provisions of the American with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations und the Act, including 28 CFR Parts 35 and 36.

10. **Authority to Contract.** TEP represents it has the authority to enter this Agreement.

11. Non-Appropriation. Notwithstanding any other provision in this Agreement, this Agreement may be terminated if for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining CDNC or other public entity obligations under this Agreement. In the event of such termination, the parties shall have no further obligation to one another hereunder, other than payment for services rendered prior to termination. Provided, the indemnification obligation set forth above shall survive the termination of this Agreement.

12. Severability. If any terms of this Agreement are deemed to be void and/or unenforceable by a competent court or administrative agency, such terms will be deemed severed from this Agreement which will otherwise remain in full force and effect.

13. Applicable Law and Venue. This Agreement is governed by the laws of the State of Arizona. Jurisdiction and venue in any action arising hereunder will be in a court of competent subject matter jurisdiction located in Pima County, Arizona.

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14. Entire Agreement.

- 14.1. This document constitutes the entire agreement between the parties pertaining to the subject it addresses and supersedes all prior or contemporaneous agreements and understandings, oral or written.
- 14.2. No verbal agreements or conversations with any officer, agent or employee of County prior to or after the execution of this Contract will affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreements are unofficial information and in no way binding upon County.

IN WITNESS THEREOF, the parties have affixed their signatures to this Agreement on the date written below.

PIMA COUNTY

TUCSON ELECTRIC POWER COMPANY

Chairman, Board of Supervisors

Francisco Castro, Manager DSM Programs

Date: _____

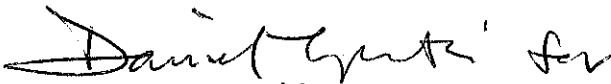
Date: _____

ATTEST:

Clerk, Board of Supervisors

Date: _____

APPROVED AS TO CONTENT:



MARGARET M. KEITH

Director, Community Development
and Neighborhood Conservation

APPROVED AS TO FORM:



Karen S. Friar, Deputy County Attorney

Exhibit A 2018 Accrual/Invoice Schedule

Exhibit A 2018 Accrual/Invoice Schedule

MONTH	ACCRUAL DUE DATE	BILLING DUE DATE
January 2018	1/24/2018	2/20/2018
February 2018	2/21/2018	3/20/2018
March 2018	3/23/2018	4/20/2018
April 2018	4/23/2018	5/21/2018
May 2018	5/24/2018	6/20/2018
June 2018	6/22/2018	7/20/2018
July 2018	7/24/2018	8/20/2018
August 2018	8/24/2018	9/20/2018
September 2018	9/21/2018	10/19/2018
October 2018	10/24/2018	11/20/2018
November 2018	11/20/2018	12/20/2018
December 2018	12/21/2018	1/21/2019

Exhibit A columns are defined as follows:

- Month: Current month
- Accrual Due Date: Accrual submittal due for any services and incentives that have occurred or will occur within the current month
- Billing Due Date: Invoice submittal due for the prior month's expenses

Exhibit B Accrual Form

Period-End Accrual Form for Contractors

Accrual Template Instructions:

1. Tucson Electric Power is obligated under GAAP practices to ensure the financial statements are properly stated.
2. Please submit your completed accrual information in accordance with the Accrual Reporting scheduled provided in our 2018 amendments.
3. Accruals should be completed for services or goods/materials that have been received but not invoiced regardless of PO or Planned PO.
4. Please provide in the Excel format and send to DSM-EE@tep.com and the assigned Program Manager by the designated due date.
5. Submit a separate accrual form for each company being reported.

Period:	
Prepared By:	

Company Owning the Project	Supplier	PO#	Service / Delivery Begin Date	Service / Delivery End Date	Invoice Reference	Project	Task	Dollars	Item Description

Attachment A

TEP Measure ¹	Requires Electric Space Cooling, Resistance Heat Sources or Heat Pumps	Requires Electric Water Heating Source	Specific Requirements ²
Audit	x		TEP will fund the initial audit up to \$450
White Roof Coating	x		TEP will pay only for the materials (no installation) at .285 cents /sq. ft. (AC or Heat Pumps only) (covering only conditioned space) Mobilizes per priority lists
Installation of CFL bulbs to replace incandescent bulbs.	x		TEP will fund up to 8 bulbs per home including exterior porch lights. If the home requires more bulbs due to home size, TEP will approve a maximum of 32 bulbs per home.
Duct Replacement	x		Must be cost-effective or have SIR greater than 1.0.
Duct Sealing	x		Pressure Relief to be included in Duct Sealing cost. Must be cost-effective or have SIR greater than 1.0.
Envelope Sealing	x		Must be cost-effective or have SIR greater than 1.0.
HSD Cooler Repair			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD CO & Smoke Detector ³			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Door			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD General Repair			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Installed Stove (Electric only)			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Repair Stove (Electric only)			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Replace Registers			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Spot Ventilation			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Electric Water Heater			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD Upper/Lower Combustion Air			Health & Safety Budget capped at 25% of agency's annual expenditures
HSD HVAC Service (Electric HVAC)	x		Health & Safety Budget capped at 25% of agency's annual expenditures
HVAC Replacement (Electric AC or Heat Pump)	x		Must be cost-effective or have SIR greater than 1.0.
Installed Insulation	x		Must be cost-effective or have SIR greater than 1.0.
Low-cost/No Cost			Low-Cost/No Cost - Capped at \$250.
Low Flow Showerhead		x	Must be cost-effective or have SIR greater than 1.0.
Faucet Aerator		x	Must be cost-effective or have SIR greater than 1.0.
Weather Stripping	x		Must be cost-effective or have SIR greater than 1.0.
Water Heater Insulation		x	Must be cost-effective or have SIR greater than 1.0.
Furnace Filters	x		Must be cost-effective or have SIR greater than 1.0.
Door Sweep	x		Must be cost-effective or have SIR greater than 1.0.
Pipe Insulation		x	Must be cost-effective or have SIR greater than 1.0.
Set-back Thermostat	x		Must be cost-effective or have SIR greater than 1.0.
Low-e Storm Windows	x		Must be cost-effective or have SIR greater than 1.0.
Misalignment Repair (batt insulation)	x		Must be cost-effective or have SIR greater than 1.0.
Replace Glass	x		Must be justified with infiltration reduction or fall under Health and Safety Budget.
Repair/Replacement of leaking hot water control valves		x	Must be cost-effective or have SIR greater than 1.0.
Relocation of Thermostat	x		Must be cost-effective or have SIR greater than 1.0.
Replacement of evap cooler roof jacks with damper system	x		Must be cost-effective or have SIR greater than 1.0.
Replacement of Refrigerator	x		Cost of funding capped at \$1100 unless waiver is approved. Old refrigerator must be at least 10 years old per Energy Star website.
Installation of Sunscreens	x		Must be cost-effective and have SIR greater than 1.0 - OR - cost cannot exceed \$5.00 per sq. ft threshold

¹ All recipients of measures funded by TEP must be TEP customers.

² All approved TEP measures shall follow the same rules as the Arizona Priority List for Single Family Homes and/or Mobile Homes dependent on Climate zones. Installation and workmanship requirements shall follow the State Plan and Weatherization Assistance Program requirements. Buy downs for measures that do not return an SIR of greater than or equal to 1 in REM are disallowed. Any measure that does not return an SIR of greater than or equal to 1 must be allocated to the Health and Safety Budget. As continuous guidance is given from DOE and funding source, these requirements can change at the direction of the Governor's Office of Energy Policy. Program energy savings and cost effectiveness is determined by the Governor's Office of Energy Policy and reported semi-annually to TEP. This report will be incorporated into the semi-annual and year end reports provide to the ACC.

³ TEP will fund a CO detector only if the home has a Heat Pump and the home has an attached garage. HSD funds only