



Date: December 6, 2010

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mike Barros, Director, Department of Community Development
Subject: **American Recovery and Reinvestment Act (ARRA)** - Approval of Contract Amendment #3 for Clean Energy Durham, Inc. to Provide Additional Project Management and Outreach services under the Energy Efficiency and Conservation Block Grant (EECBG) Residential Energy Efficiency Program.

Executive Summary

The Neighborhood Energy Retrofit program as part of the EECBG program funded through the U.S. Department of Energy (“DOE”) as part of the American Recovery and Reinvestment Act (“ARRA”) is meant to stimulate job growth and reduce community-wide energy consumption. A second phase of the grant is being funding by the U.S. Environmental Protection Agency.

The City previously contracted with Clean Energy Durham, Inc. (“CED”) to serve as project manager for the neighborhood outreach portion of this project. In that role, CED is responsible for managing volunteers, providing educational materials and trainings, and recruiting households to participate. The City-County Sustainability Office recommends that City Council authorize the City Manager to approve a contract amendment for CED to provide additional services.

Recommendation

The City-County Sustainability Office recommends that City Council authorize the City Manager to approve a contract amendment in the amount of \$31,540.00 to CED (Contract No:6813) to provide additional services to enhance the success of the program and increase participation. The services included in the contract amendment are:

- Design and distribute outreach materials related to program qualifications for homes with gas and other problematic appliances, and field questions related to this outreach material from neighborhood volunteers and program participants.
- Design and implement outreach approach for 1 additional neighborhood: Watts Hospital Hillandale.
- Manage follow-up with online applicants in target neighborhoods, including gathering additional information, making sure all forms are complete, and connecting applicants with neighborhood volunteers.
- Expand the database of participating households to include additional information, including contractor work on each home.

- Create and send out mailings to facilitate outreach effectiveness in target neighborhoods and thank volunteers.
- Assist in managing applications and data from participants not associated with a target neighborhood, as needed. This assistance includes entering application data from general applicants submitting complete applications directly to the City either on-line or on paper.

Background

The City of Durham has received federal EECBG funds in the amount of \$2,173,600.00. Half of these funds are being used to fund a Neighborhood-based Residential Energy Efficiency Retrofit Program, which will create jobs and reduce community-wide energy consumption. This program will combine installation of a few highly effective upgrades in existing residences in Durham with energy efficiency education. An additional \$500,000 has been awarded to fund a second phase of this project. The upgrades are limited to sealing air ducts, sealing attics, increasing attic insulation, installing programmable thermostats, installing high-efficiency water-fixtures, and installing carbon monoxide detectors (where necessary). The City has selected 16 neighborhoods to participate in both phases of the program, which should reach roughly 690 homes. The City is currently under contract with CED as a project manager. Clean Energy Durham is responsible for managing volunteers, providing educational materials and trainings, and recruiting households to participate. The City-County Sustainability Office is recommending that the City Council approve amending CED's contract to include additional services.

Issues/Analysis

As the Neighborhood Energy Retrofit Program has evolved, the need for additional services relating to outreach and recruitment has become evident. When we created the program, we could not foresee all of the barriers to participation that exist, including the significant number of homes with combustion appliances in the living spaces. In order to meet our desired participation numbers, the program needs additional educational materials and education efforts regarding gas/combustion appliances, additional neighborhood participation, and more outreach activities in general. This involves additional staff time, supplies, and postage to more effectively target and recruit eligible households. In addition, City staff are considering expanding the program outside the current neighborhoods, which would necessitate assistance with managing applications and participant engagement.

Alternatives

The City Council could choose not to approve Clean Energy Durham to provide these services, and have an additional solicitation period and selection process to contract with another firm. This would delay the second phase of retrofit program from creating jobs & reducing energy use.

Financial Impact

The City of Durham has received \$2.1 million in federal Energy Efficiency and Conservation Block Grant (EECBG) funds as part of the American Recovery and Reinvestment Act to be used for projects that reduce energy use and create jobs. The cost of the recommended professional services will be charged to EECBG fund. There will be no impact on the general fund.

SDBE Summary

The Department of Equal Opportunity/Equity Assurance reviewed the proposal submitted by Clean Energy Durham, Inc. of Durham, North Carolina and have determined that they are in

compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. No M/SDBE or W/SDBE goals were set and workforce statistics for Clean Energy Durham, Inc. are as follows:

<u>Total Workforce</u>	<u>3</u>	
Total Females	2 (67%)	White Females 1 (33%)
Total Males	1 (33%)	Other Females 0
Black Males	0	
White Males	1 (33%)	
Other Males	0	
Black Females	1 (33%)	