

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT				1. Contract Number DOEE-2016-C-0002		Page of Pages 1 2	
2. Amendment/Modification Number M07		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.		5. Solicitation Caption District of Columbia Sustainable Energy Utility Services	
6. Issued by: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003				7. Administered by (If other than line 5) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5 th Floor Washington, D.C. 20002			
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Burlington, VT 05401 Code _____ Facility _____				9A. Amendment of Solicitation No.			
				9B. Dated (See Item 11)			
				X 10A. Modification of Contractor/Order No. DOEE-2016-C-0002			
				10B. Dated (See Item 13) April 5, 2017			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting and Appropriation Data (If Required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14							
A. This change order is issued pursuant to the Clean and Affordable Energy Act of 2008 ("CAEA"), § 202(f) (D.C. Official Code § 8-1774.02(f)). The changes set forth in item 14 are made in the contract/order no in item 10A.							
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the authority of:							
C This supplemental agreement is entered into pursuant to authority of:							
x D. Other (Specify type of modification and authority) §15 Changes -DC Government Standard Contract Provisions							
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.							
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) In accordance with §15 Changes of the District of Columbia Government Standard Contract Provisions, Supplies and Services Contracts, Contract number DOEE-2016-C-0002 is hereby modified as follows:							
1. Section B.3.3 – delete in its entirety and substitute:							
Base Year Three (CLINs 3001-3004): October 1, 2018 – September 30, 2019							
Contract Line Item No. (CLIN)		Item Description		Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost	
3001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)		DCSEU SOW Requirements		\$19,294,409.91	N/A	\$19,294,409.91	
3002 (C.40.12)		Solar for All Program		\$12,000,000.00	N/A	\$12,000,000.00	
3003 (C.40.13)		Emergency HVAC Program		\$1,351,666.00	N/A	\$1,351,666.00	
3004 (C.39 – C.40.8.5.3)		Performance Incentives		N/A	\$908,333.00	\$908,333.00	
Total for B.3.3						\$33,554,408.91	
Except as provided herein, all terms and conditions of the document is referenced in item 9A or 10A remain unchanged and in full force and effect.							
15A. Name and Title of Signer (Type or print) Jim Madej, Chief Executive Officer				16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST			
15B. Name of Contractor: Vermont Energy Investment Corporation				15C. Date Signed 6/17/19		16B. District of Columbia (Signature of Contracting Officer)	
SI, nature by person authorized to sign						16C. Date Signed 6-19-19	

CONTINUATION SHEET AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT	Contract Number DOEE-2016-C-0002	Page of Pages	
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2. Section C - Specifications/Statement of Work - is hereby amended by

(i) **Section C.20.3** is hereby amended as follows: *first sentence*, delete the phrase "by October 30th of each year" and substitute the phrase "by November 30th each year" in its place.

(ii) – deleting **Section C.40.8.1.1.4** in its entirety and substituting:

C.40.8.1.1.4 The Contractor shall use modified gross savings as the claimed gas savings used to assess progress towards the annual reduction in weather-normalized total natural gas consumption in the District for 2014. Gross savings reflect the estimated first-year savings that the customer is expected to receive at the utility meter. Modified gross gas savings include considerations for like-fuel interactive effects but exclude considerations for cross-fuel interactive effects, free ridership, and spillover.

(iii) – inserting a new **Section C.40.8.1.1.5**:

C.40.8.1.1.5 The Contractor shall use modified gross generator-level savings as the claimed electricity savings used to assess progress towards the annual reduction in weather-normalized total electricity consumption in the District for 2014. Gross meter-level electric savings reflect the estimated first-year savings that the customer is expected to receive at the utility meter. Modified gross generator-level electricity savings include considerations for like-fuel interactive effects and line loss factors but exclude considerations for cross-fuel interactive effects, free ridership, and spillover.

(iv) – deleting **Section C.40.12.15** in its entirety and substituting:

C.40.12.15 The Contractor's performance and achievements under the SfA Program, except for FTE green job hours worked by the Contractor on the SfA Program, shall not be included in the evaluation of the Contractor's achievement of the performance benchmarks in Sections C.40.1 – C.40.8.5.3 or the Societal Benefit Test in Section C.40.9. The list of eligible Contractor personnel who work on both SETF and SfA programs shall be subject to DOEE approval. Funding provided by DOEE to the Contractor for implementation of the SfA Program shall not result in an adjustment to the performance targets and incentives identified in Sections C.40.1 – C.40.8.5.3.

(v) – deleting **Section C.40.13.15** in its entirety and substituting:

C.40.13.15 The Contractor's performance and achievements under the Emergency HVAC Program, except for FTE green job hours worked by the Contractor on the Emergency HVAC Program, shall not be included in the evaluation of the Contractor's achievement of the performance benchmarks in Sections C.40.1 – C.40.8.5.3 or the Societal Benefit Test in Section C.40.9. The list of eligible Contractor personnel who work on both SETF and Emergency HVAC programs shall be subject to DOEE approval. Funding provided by DOEE to the Contractor for implementation of the Emergency HVAC Program shall not result in an adjustment to the performance targets and incentives identified in Sections C.40.1 – C.40.8.5.3.

(vi) – **Section J: List of Attachments** - is hereby amended by inserting the following:

Attachment Number J.16: Solar For All Program Design and Implementation Document

Attachment Number J.17: Emergency HVAC Program Design and Implementation Document

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		1. Contract Number DOEE-2016-C-0002		Page of Pages 1 5	
2. Amendment/Modification Number M06		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.	
5. Solicitation Caption District of Columbia Sustainable Energy Utility Services					
6. Issued by: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003		Code		7. Administered by (If other than line 6) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5 th Floor Washington, D.C. 20002	
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Burlington, VT 05401		9A. Amendment of Solicitation No.		9B. Dated (See Item 11)	
Code		Facility		X 10A. Modification of Contractor/Order No. DOEE-2016-C-0002	
				10B. Dated (See Item 13) April 5, 2017	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
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E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.					
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)					
In accordance with §15 Changes of the District of Columbia Government Standard Contract Provisions, Supplies and Services Contracts, July 2010, Contract number DOEE-2016-C-0002 is hereby modified as follows:					
1. Section B.3.3 – delete in its entirety and substitute:					
Base Year Three (CLINs 3001-3004): October 1, 2018 – September 30, 2019					
Contract Line Item No. (CLIN)		Item Description		Cost Reimbursement Ceiling	Incentive Payments
3001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)		DCSEU SOW Requirements		\$18,470,833	N/A
3002 (C.40.12)		Solar for All Program		\$12,000,000	N/A
3003 (C.40.13)		Emergency HVAC Program		\$1,351,666	N/A
3004 (C.39 – C.40.8.5.3)		Performance Incentives		N/A	\$1,529,167
Total for B.3.3					\$33,351,666
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.					
15A. Name and Title of Signer (Type or print) Jim Madej, Chief Executive Officer		16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST		16C. Date Signed 11-13-18	
15B. Name of Contractor: VEIC		15C. Date Signed 9/11/18		16B. District of Columbia	
(Signature of person authorized to sign)				(Signature of Contracting Officer)	

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2. Section B.3.4 – delete in its entirety and substitute:

Base Year Four (CLINs 4001-4003): October 1, 2019 – September 30, 2020

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
4001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$17,762,500	N/A	\$17,762,500
4002 (C.40.12)	Solar for All Program	\$10,000,000	N/A	\$10,000,000
4003 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$2, 237,500	\$2, 237,500
Total for B.3.4				\$30,000,000

3. Section B.3.5 – delete in its entirety and substitute:

Base Year Five (CLINs 5001-5003): October 1, 2020 – September 30, 2021

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
5001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$16,420,833	N/A	\$16,420,833
5002 (C.40.12)	Solar for All Program	\$10,000,000	N/A	\$10,000,000
5003 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$3,579,167	\$3,579,167
Total for B.3.5				\$30,000,000

4. Section C - Specifications/Statement of Work - is hereby amended by:

(i) – deleting Section C.36.4 in its entirety and substituting:

C.36 Limitation on Recovery of General and Administrative Costs

C.36.4 The Contractor's expenditures under CLINs 2002, 3002, 4002, and 5002 (Solar for All Program) and CLIN 3003 (Emergency HVAC Program) shall not be part of the Cost Reimbursement Ceiling applicable to this Section C.36, and shall not be included in calculation in this Section C.36 of the percentage that was spent on General and Administrative Costs and the Fixed Fee.

(ii) – deleting Section C.40.12.11 in its entirety and substituting:

C.40.12.11 The SfA Program shall be funded by CLINs 2002, 3002, 4002, and 5002 only.

(iii) – deleting Section C.40.12.15 in its entirety and substituting:

C.40.12.15 The Contractor's performance and achievements under the SfA Program shall not be included in the evaluation of the Contractor's achievement of the performance benchmarks in Sections C.40.1 – C.40.8.5.3 or the Societal Benefit Test in Section C.40.9. Funding provided by DOEE to the Contractor for implementation of the SfA Program shall not result in an adjustment to the performance targets and incentives identified in Sections C.40.1 – C.40.8.5.3.

(iv) – inserting the following:

C.40.12.18 The SfA Program design and implementation document shall be incorporated into this Contract as an attachment upon completion. The Contractor and DOEE agree to be bound by any modification to the SfA Program design and implementation document that was mutually agreed to in writing by both parties.

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C.40.12.19	Beginning in Base Year Three (3) of the Contract, the Contractor shall implement and manage the program initiatives described in the DOEE-approved SfA Program design and implementation document.			
(v) – insert the following:				
C.40.13	Emergency HVAC Repair/Replacement Program for Low Income Households			
C.40.13.1	In Base Year Three (3) of the Contract, the Contractor shall implement, on a pilot basis, an Emergency Heating, Cooling, and Air Conditioning (HVAC) Repair/Replacement Program (“Emergency HVAC Program”) to serve low-income households occupied by seniors (60 years and above) or residents (18 to 59 years old) living with disabilities.			
C.40.13.2	The Emergency HVAC Program shall be implemented in close collaboration with the District of Columbia Office on Aging’s Safe at Home Program and DOEE’s Weatherization Assistance Program and Emergency Heating Repair/Replacement Program.			
C.40.13.3	The Contractor shall, within 15 days of the Contract modification #6 (M06), convene a kickoff meeting with DOEE staff to review a detailed Emergency HVAC Program Work Plan prepared by the Contractor which shall include specifics on how the Contractor shall work in a timely and efficient manner with DOEE staff to review and provide comments on program design elements as they are drafted, the frequency for, and attendees to be present at, regular check in meetings between the Contractor and DOEE staff during the program design period, performance milestones, and procedures for the development and implementation of the Emergency HVAC Program.			
C.40.13.4	The Emergency HVAC Program design and implementation document shall include, but not be limited to: 1) A description of the energy efficient measures to be installed in eligible low-income households in the District; 2) A detailed budget for designing and implementing the Emergency HVAC Program; 3) Numeric goals for the Emergency HVAC Program fiscal year 2019; 4) Subcontractor procurement processes, and quality assurance protocols and processes; and 5) Number of program staff to be hired or assigned.			
C.40.13.5	The Emergency HVAC Program design, scope, and detailed budget shall be subject to review and approval in writing by DOEE, and upon approval, shall be incorporated into this Contract as an attachment. The Contractor may utilize a variety of program delivery strategies, in consultation with and subject to the approval of DOEE. The Contractor and DOEE agree to be bound by any modification to attachment describing the Emergency HVAC Program design, scope, or detailed budget that was mutually agreed to in writing by both the parties.			
C.40.13.6	The Emergency HVAC Program design and implementation document developed by the Contractor shall not be considered final until approved by DOEE in writing. Any revision to the program design and implementation document shall be subject to review and approval by DOEE. The design and implementation document is expected to be reviewed regularly, and may be revised as needed during the fiscal year to incorporate lessons learned and to adjust to changes in market conditions, responses to solicitations, program activities and operations.			
C.40.13.7	The Emergency HVAC Program design and solicitation documents shall specify eligibility criteria and other applicable requirements for participating subcontractors and low-income households.			
C.40.13.8	All subcontracts between the Contractor and Subcontractors for the Emergency HVAC Program shall be subject to DOEE review prior to execution.			
C.40.13.9	The Contractor shall require all Subcontractors to obtain a District of Columbia Department of Consumer and Regulatory Affairs (DCRA) permit for structural, electrical, plumbing, or mechanical work in each home prior to installation of any HVAC unit funded by the Emergency HVAC Program. The Contractor shall ensure that a DCRA Inspector reviews and approves all permitted work completed by Subcontractors under the Emergency HVAC Program to ensure that DCSEU-approved permitted work has been installed in accordance with DCRA regulations, specifications and applicable building codes.			

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- C.40.13.10** The Contractor shall conduct detailed quality assurance and quality control inspections on all measures funded by the Emergency HVAC Program. Documentation related to such inspections shall be made available by the Contractor to DOEE upon request.
- C.40.13.11** The Emergency HVAC Program shall be funded by CLIN 3003 only.
- C.40.13.12** The Contractor shall implement the Emergency HVAC Program as a separate program from its portfolio of programs under this Contract that are funded by CLINs by CLINs 2001, 3001, 4001, and 5001 and the SfA Program funded under this Contract by CLINs 2002, 3002, 4002, and 5002.
- C.40.13.13** All expenditures incurred under the Emergency HVAC Program shall be accounted for separately from the Contractor's expenditures for any other program under this Contract.
- C.40.13.14** The Emergency HVAC Program expenditures shall not be included in the calculation of General and Administrative Costs in Section C.36.
- C.40.13.15** The Contractor's performance and achievements under the Emergency HVAC Program shall not be included in the evaluation of the Contractor's achievement of the performance benchmarks in Sections C.40.1 – C.40.8.5.3 or the Societal Benefit Test in Section C.40.9. Funding provided by DOEE to the Contractor for implementation of the Emergency HVAC Program shall not result in an adjustment to the performance targets and incentives identified in Sections C.40.1 – C.40.8.5.3.

5. Section G.2.3.1 – delete in its entirety and substitute:

The Contractor shall invoice DOEE for work completed under the SOW in accordance with CLINs 2001, 2002, 3001, 3002, 3003, 4001, 4002, 5001, and 5002, and not including CLINs 2003, 3004, 4003, and 5003. Each invoice shall include costs incurred since the prior invoice. The Contractor shall be compensated for General and Administrative Costs in accordance with the requirements of Section C.36, unless Contractor is granted prior written approval from DOEE to exceed this limit.

6. Section G.3 Performance Incentives – delete in its entirety and substitute:

The Contractor may invoice the amounts of performance incentives specified in CLINs 2003, 3004, 4003 and 5003, awarded annually or otherwise by DOEE pursuant to Sections C.40, C.40.8.1.2, C.40.8.2.2, C.40.8.3.2, C.40.8.4.4, and/or C.40.8.5.2.

7. Section G.5.1 – delete in its entirety and substitute:

The Cost Reimbursement Ceiling for this Contract is as established in Sections B.3, B.7, and B.8 (for CLINs 2001, 2002, 3001, 3002, 3003, 4001, 4002, 5001, and 5002).

8. Attachment J.10 – delete in its entirety and substitute:

ATTACHMENT J.10 Cost Reimbursement Ceiling Examples

Table J.10.1: Maximum Cost-Reimbursement Ceiling for CLINs 1001, 2001, 3001, 4001, and 5001 and Minimum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,625,932.50	\$33,351,666	\$30,000,000	\$30,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$820,834	\$908,333	\$908,333	\$1,541,667
Cost-Reimbursement Ceiling	\$14,179,167	\$19,555,139	\$19,091,667	\$19,091,667	\$18,458,333

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Table J.10.2: Minimum Cost-Reimbursement Ceiling for CLINs 1001, 2001, 3001, 4001, and 5001 and Maximum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,625,932.50	\$33,351,666	\$30,000,000	\$30,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$1,441,667	\$2,150,000	\$2,858,333	\$4,200,000
Cost-Reimbursement Ceiling	\$14,179,167	\$18,934,305.50	\$17,850,000	\$17,141,667	\$15,800,000

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT				1. Contract Number DOEE-2016-C-0002		Page of Pages 1 1			
2. Amendment/Modification Number M05		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.		5. Solicitation Caption District of Columbia Sustainable Energy Utility Services			
6. Issued by: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003				7. Administered by (If other than line 6) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5 th Floor Washington, D.C. 20002					
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Burlington, VT 05401				9A. Amendment of Solicitation No.					
				9B. Dated (See Item 11)					
				10A. Modification of Contractor/Order No. DOEE-2016-C-0002					
				10B. Dated (See Item 13) April 5, 2017					
Code		Facility							
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS									
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In accordance with §15 Changes of the District of Columbia Government Standard Contract Provisions, Supplies and Services Contracts, July 2010, Contract number DOEE-2016-C-0002 is hereby modified as follows:									
1. Section B.3.2 – delete in its entirety and substitute:									
Base Year Two (CLINs 2001-2003): October 1, 2017 – September 30, 2018									
Contract Line Item No. (CLIN)		Item Description		Cost Reimbursement Ceiling		Incentive Payments		Maximum Total Cost	
2001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)		DCSEU SOW Requirements		\$19,555,138.50		N/A		\$19,555,138.50	
2002 (C.40.12)		Solar for All Program		\$249,960.00		N/A		\$249,960.00	
2003 (C.39 C.40.8.5.3)		Performance Incentives		N/A		\$820,834.00		\$820,834.00	
Total for B.3.2								\$20,625,932.50	
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.									
15A. Name and Title of Signer (Type or print) Jim Madej, Chief Executive Officer				16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST					
15B. Name of Contractor: VEIC				15C. Date Signed 8/24/18		16B. District of Columbia		16C. Date Signed 8-29-18	
Signature of person authorized to sign				Signature of Contracting Officer					

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT				1. Contract Number DOEE-2016-C-0002		Page of Pages 1 6																										
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14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) In accordance with §15 Changes of the District of Columbia Government Standard Contract Provisions, Supplies and Services Contracts, dated July 2010, Contract Number DOEE-2016-C-0002 is hereby modified as follows: 1. Section B.3.2 – delete in its entirety and substitute: Base Year Two (CLINs 2001-2003): October 1, 2017 – September 30, 2018																																
<table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width:30%;">Contract Line Item No. (CLIN)</th> <th style="width:30%;">Item Description</th> <th style="width:15%;">Cost Reimbursement Ceiling</th> <th style="width:15%;">Incentive Payments</th> <th style="width:10%;">Maximum Total Cost</th> </tr> </thead> <tbody> <tr> <td>2001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)</td> <td>DCSEU SOW Requirements</td> <td>\$18,934,305.50</td> <td>N/A</td> <td>\$18,934,305.50</td> </tr> <tr> <td>2002 (C.40.12)</td> <td>Solar for All Program</td> <td>\$249,960.00</td> <td>N/A</td> <td>\$249,960.00</td> </tr> <tr> <td>2003 (C.39 C.40.8.5.3)</td> <td>Performance Incentives</td> <td>N/A</td> <td>\$1,441,667</td> <td>\$1,441,667.00</td> </tr> <tr> <td colspan="4">Total for B.3.2</td> <td>\$20,625,932.50</td> </tr> </tbody> </table>								Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost	2001 (C.1 – C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$18,934,305.50	N/A	\$18,934,305.50	2002 (C.40.12)	Solar for All Program	\$249,960.00	N/A	\$249,960.00	2003 (C.39 C.40.8.5.3)	Performance Incentives	N/A	\$1,441,667	\$1,441,667.00	Total for B.3.2				\$20,625,932.50
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Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.																																
15A. Name and Title of Signer (Type or print)				16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST																												
15B. Name of Contractor Vermont Energy Investment Corporation  (Signature of person authorized to sign)		15C. Date Signed June 19, 2018		16B. District of Columbia (Signature of Contracting Officer)		16C. Date Signed 06-26-18																										

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AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		DOEE-2016-C-0002	2	6
2. Section B.7.1 – delete in its entirety and substitute:				
The total available funds for DCSEU SOW Requirements and non-at-risk Fixed Fee in FY 2017 shall not exceed \$15 million minus the total amount withheld by DOEE that year for performance incentives. The total available funds for DCSEU SOW Requirements in FYs 2018 – 2021, which includes a non-at-risk fixed fee equal to 4.0% of reimbursed costs, shall not exceed the maximum total cost amounts specified in Sections B.3.2 – B.3.5 for CLINs 2001, 3001, 4001, and 5001, minus the total amount withheld by DOEE that year for Performance Incentives.				
3. Section B.7.4 – delete in its entirety and substitute:				
Reimbursable General Administrative Costs and the Fixed Fee, invoiced for any contract year pursuant to Section G may not exceed 20% of the Cost Reimbursement Ceiling for CLINs 2001, 3001, 4001, and 5001 for the applicable year.				
4. Section B.8.1 – Total Compensation - delete in its entirety and substitute:				
The total compensation amount for all eligible costs, expenses and performance incentives for benchmarks under this Contract for the base period starting with contract execution and ending September 30, 2021 may not exceed the maximum annual amount for FYs 2017 – 2021 as specified in Section B.3.				
5. Section B.8.1.1.1 – delete in its entirety and substitute:				
As stated in Section B.7.1, the Cost Reimbursement Ceiling for FY17 shall not exceed \$15 million for FY 2017 or the amount specified in Sections B.3.2 – B.3.5 for CLINs 2001, 3001, 4001, and 5001 for FYs 2018 - 2021, minus the total amount withheld by DOEE that year for performance incentives. The structure of compensation for the provision of services and initiatives under this Contract for FY 2018 shall be comprised of:				
<div>1) Reimbursement of actual costs and expenses incurred for CLIN 2001 of up to \$18,206,063.00 for the period starting October 1, 2017 through September 30, 2018;</div> <div>2) A Fixed Fee equal to 4.0% of reimbursed costs for CLIN 2001, not to exceed \$728,242.50 for the period starting October 1, 2017 through September 30, 2018; and</div> <div>3) At risk compensation of up to \$1,441,667 to be paid after an independent verification of attainment of performance benchmarks for the period ending September 30, 2018. As provided in Section C.40, at-risk compensation for the first base year shall be determined from combined FY 2017 performance under this Contract and under Contract No. DDOE-2010-SEU-001.</div>				
6. Section B.8.1.1.2 – delete in its entirety and substitute:				
For fiscal years 2019 through 2021, the actual contract maximum amounts for reimbursable costs and Fixed Fee will be incorporated into this Contract with a contract modification. As stated in Section B.7.3, these amounts will be determined by first deducting the total of the performance incentives the Contractor will be eligible for that particular fiscal year from the total contract value. Attachment J.10 provides a breakdown of the Cost Reimbursement Ceilings for CLINs 1001, 2001, 3001, 4001, and 5001 for the following two scenarios: 1) if the Contractor meets all the performance benchmarks on an annual basis; and 2) if the Contractor does not meet any of the performance benchmarks until Year 5.				
7. Section C - Specifications/Statement of Work - is hereby amended by				
(i) – deleting Section C.36 in its entirety and substituting:				
C.36	Limitation on Recovery of General and Administrative Costs			
C.36.1	General and Administrative Costs shall include, but not be limited to, the following: overhead (such as rent, equipment, software and utilities); indirect costs, budgeting and financial management; contract management; and data collection and reporting. General and Administrative costs associated with serving an individual market segment or program shall be included in the budget allocation for that market segment or program and are not considered General Administrative Costs for the purposes of this paragraph. For the period starting with contract execution and ending September 30, 2021, compensation for the Contractor’s General and Administrative Costs and the non-at-risk Fixed Fee for CLINs 2001, 3001, 4001, and 5001, shall not exceed 20% annually of the Cost Reimbursement Ceiling for CLINs 2001, 3001, 4001, and 5001, as defined in Sections B.3 and B.8.1.1.			

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	General and Administrative Costs and the non-at-risk Fixed Fee for CLINs 2001, 3001, 4001, and 5001 (defined in Sections B.3 and B.8.1.1) in excess of 20% of the Cost Reimbursement Ceiling for CLINs 2001, 3001, 4001, and 5001, shall not be invoiced or payable for any given year of this Contract unless the Contractor is granted prior written approval from DOEE to exceed this limit.			
C.36.2	For example, if the Cost Reimbursement Ceiling for CLIN 2001, as defined in Sections B.3 and B.8.1.1, is \$19.179 million, the General and Administrative Costs and the Fixed Fee for CLIN 2001 shall not exceed \$3.835 million, if the Contractor incurred reimbursable costs for CLIN 2001, including the General and Administrative Costs plus Fixed Fee, totaling \$19.179 million in that fiscal year.			
C.36.3	For the period starting with contract execution and ending September 30, 2021, compensation for the Contractor’s General and Administrative Costs shall not exceed 20% of the sum of the annual Cost Reimbursement Ceilings for CLINs 1001, 2001, 3001, 4001, and 5001, as defined in Sections B.3 and B.8.1.1, for the FY2017 – FY2021 base period.			
C.36.4	The Contractor’s expenditures under CLIN 2002 shall not be part of the Cost Reimbursement Ceiling applicable to this Section C.36, and shall not be included in calculation in this Section C.36 of the percentage that was spent on General and Administrative Costs and the Fixed Fee.			
(ii) – inserting the following:				
C.40.12 –	Low Income Solar For All Program			
C.40.12.1	The Contractor shall design and be ready to launch a Solar for All Program (SfA Program) to expand low-income households’ access to solar power and support the creation of new solar energy sources in the District. The SfA Program shall be ready for launch, pending available program funding, within 90 days of this Contract modification, including but not limited to: completion of detailed program design, budget, and implementation document; key program staff hired and trained; completion of public awareness plan; and, pending funding availability, an initial Request For Proposals for qualified Solar Installers/Developers.			
C.40.12.2	The Contractor shall, within 15 days of the Contract modification convene a kickoff meeting with DOEE staff to review a detailed work plan prepared by the Contractor with milestones, working processes and procedures for the development and implementation of the SfA Program design and implementation document. The work plan will include specifics on how the Contractor will work in a timely and efficient manner with DOEE staff to review and provide comments on program design elements as they are drafted. The work plan will include the frequency for, and attendees to be present at, regular check in meetings between the Contractor and DOEE staff during the program design period. The program design and implementation document shall include, but not be limited to:			
	1) A description of the SfA Program initiatives that would target low-income households in the District;			
	2) A detailed budget for each program or initiative included in the document;			
	3) Annual numeric goals for the SfA Program initiatives fiscal years 2019-2021;			
	4) Subcontractor procurement processes, and quality assurance protocols and processes;			
	5) Number of program staff to be hired or assigned;			
	6) Alternative approaches for complying with the requirements specified in Section C.40.12.1.8 to ensure ongoing performance of the solar projects so that low-income households will benefit from the solar PV systems installed for at least 15 years; and			
	7) Estimated timeline for full implementation of all programs or initiatives described in the document.			
C.40.12.3	The SfA Program design, scope, and detailed budget shall be subject to review and approval in writing by DOEE. The Contractor shall be responsible for the development of all SfA Program offerings funded by this Contract, and may utilize a variety of program delivery strategies, in consultation with and subject to the approval of DOEE.			

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AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		DOEE-2016-C-0002	4	6
C.40.12.4	The SfA Program design and implementation document developed by the Contractor will not be considered final until approved by DOEE in writing. Any revision to the program design and implementation document shall be subject to review and approval by DOEE. The design and implementation document is expected to be reviewed regularly, and may be revised as needed during the SfA Program term to incorporate lessons learned and to adjust to changes in market conditions, responses to solicitations, program activities and operations.			
C.40.12.5	The SfA program design will include support for community renewable energy facilities (CREFs). The CREF projects supported through the SfA program shall be structured such that during the first 15 years of the solar PV system’s operation 100 percent of the measured electric output from the portion of the system supported by the SfA program shall be obligated to DOEE designated low-income households to offset at least 50% of each household’s annual electricity costs based on the District’s average residential electric bills for calendar year 2016. Projects that do not obligate 100 percent of the PV system’s measured output to DOEE designated low-income households or its designee may be eligible to participate, but the SfA Program incentives shall only be available and awarded to the portion of the project from which the measured output is totally obligated to low-income households for the 15 year period.			
C.40.12.6	The SfA program design will also include support for installations on single family income qualified households. The program design and solicitation documents shall specify eligibility and requirements for participating contractors and households. It is anticipated that 100% of the measured electric output for these systems will be made available to the participating single family households for at least 15 years.			
C.40.12.7	All subcontracts between the Contractor and Solar Installers/Developers, and all contracts/installation agreements between Solar Installers/Developers and property owners shall be subject to DOEE review and approval prior to execution.			
C.40.12.8	The SfA Program design and implementation document shall include analysis, discussion and recommendations on options for ongoing operations and maintenance of the SfA-supported solar projects. The SfA Program design and implementation document shall also discuss, analyze and recommend options for minimum performance guarantees of the SfA-supported solar projects. Such performance guarantees include, but are not limited to, consideration of enforceable performance guarantees and penalties, operations and maintenance contracts, performance loss reserve funds, and insurance or performance bonds.			
C.40.12.9	The Contractor shall be responsible for monitoring and exercising its rights under the subcontractor performance mechanisms established by and for the SfA Program. These may include enforcement of performance guarantees for specific subcontracts with the Solar Installers/Developers on behalf of the District.			
C.40.12.10	The Contractor shall conduct a detailed quality assurance and quality control inspections on all SfA-supported solar projects.			
C.40.12.11	The development of the SfA Program design and implementation document shall be funded by CLIN 2002 only.			
C.40.12.12	The Contractor shall implement the SfA Program as a separate program from its portfolio of programs under this Contract funded by CLINs 2001, 3001, 4001, and 5001.			
C.40.12.13	All expenditures incurred under the SfA Program shall be accounted for separately from the Contractor’s expenditures for any other program under this Contract.			
C.40.12.14	The SfA Program expenditures shall not be included in the calculation of General and Administrative Costs in Section C.36.			
C.40.12.15	The Contractor’s performance and achievements under the SfA Program shall not be included in the evaluation of the Contractor’s achievement of the performance benchmarks in Sections C.40.1 – C.40.8.5.3 or the Societal Benefit Test in Section C.40.9. Funding provided by DOEE for the Contractor to implement the SfA Program shall not cause an adjustment to the performance targets and incentives identified in Sections C.40.1 – C.40.8.5.3.			
C.40.12.16	The Contractor recognizes that the solar installations funded by SfA Program and the benefits derived from these installations for low-income District residents are vital to the District and must be continued without interruption. To ensure continuity of services, the District, at its sole discretion, may assign the rights and obligations of the Contractor under subcontracts executed by the Contractor with Solar Installers/Developers and other subcontractors			

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to implement the SfA Program, to a third party of the District's choosing. A minimum of 90 days' notice from the District to the Contractor of the District's intent to reassign shall be required for such a reassignment.

C.40.12.1.17 Consistent with the need for continuity of the SfA Program, the Contractor shall include in all contracts and agreements executed with Solar Installers/Developers, subcontractors, and other entities to implement the SfA Program an assignment clause that permits the Contractor to assign its rights and obligations to a third party at its sole discretion.

8. Section F.4 – Deliverables, is hereby amended as follows:

Item No.	Deliverable	Due Date
0011	Detailed Descriptions of Contractor Positions by Labor Category (Section C.1.2)	October 1 each fiscal year.
0012	Quarterly General and Administrative (G&A) Costs Report (Section C.1.3)	30 days from end of period
0013	Asset Tracking Log (Section C.22)	Twice annually - March 31 and September 30 of each fiscal year

9. Section G.2.3.1 – delete in its entirety and substitute:

The Contractor shall invoice DOEE for work completed under the SOW in accordance with CLINs 2001, 2002, 3001, 4001, and 5001, and not including CLINs 2003, 3002, 4002, and 5002. Each invoice shall include costs incurred since the prior invoice. Compensation for General and Administrative Costs shall be in accordance with the requirements of Section C.36, unless Contractor is granted prior written approval from DOEE to exceed this limit.

10. Section G.3 Performance Incentives – delete in its entirety and substitute:

The Contractor may invoice the amounts of performance incentives specified in CLINs 2003, 3002, 4002 and 5002, awarded annually or otherwise by DOEE pursuant to Sections C.40, C.40.8.1.2, C.40.8.2.2, C.40.8.3.2, C.40.8.4.4 and/or C.40.8.5.2.

11. Section G.5.1 – delete in its entirety and substitute:

The Cost Reimbursement Ceiling for this Contract is set forth in Sections B.3, B.7, and B.8 (for CLINs 2001, 2002, 3001, 4001, and 5001).

12. Attachment J.10 – delete in its entirety and substitute:

Table J.10.1: Maximum Cost-Reimbursement Ceiling for CLINs 1001, 2001, 3001, 4001, and 5001 and Minimum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,625,932.50	\$20,000,000	\$20,000,000	\$20,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$820,834	\$908,333	\$908,333	\$1,541,667
Cost-Reimbursement Ceiling	\$14,179,167	\$19,555,139	\$19,091,667	\$19,091,667	\$18,458,333

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Table J.10.2: Minimum Cost-Reimbursement Ceiling for CLINs 1001, 2001, 3001, 4001, and 5001 and Maximum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,625,932.50	\$20,000,000	\$20,000,000	\$20,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$1,441,667	\$2,150,000	\$2,858,333	\$4,200,000
Cost-Reimbursement Ceiling	\$14,179,167	\$18,934,305.50	\$17,850,000	\$17,141,667	\$15,800,000

AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		1. Contract Number DOEE-2016-C-0002		Page of Pages 1 3	
2. Amendment/Modification Number M03		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.	
5. Solicitation Caption District of Columbia Sustainable Energy Utility Services					
6. Issued by: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003		Code		7. Administered by (If other than line 6) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5th Floor Washington, D.C. 20002	
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Washington, DC 20003		9A. Amendment of Solicitation No.		9B. Dated (See Item 11)	
Code		Facility		10A. Modification of Contractor/Order No. DOEE-2016-C-0002	
				10B. Dated (See Item 13) April 5, 2017	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
A. This change order is issued pursuant to the Clean and Affordable Energy Act of 2008 ("CAEA"), § 202(f) (D.C. Official Code § 8-1774.02(f)). The changes set forth in Item 14 are made in the contract/order no in item 10A.					
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the authority of:					
C This supplemental agreement is entered into pursuant to authority of:					
x D. Other (Specify type of modification and authority) \$15 Changes -DC Government Standard Contract Provisions					
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.					
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) In accordance with §15 Changes of the District of Columbia Government Standard Contract Provisions, Supplies and Services Contracts, Contract number DOEE-2016-C-0002 is hereby modified as follows:					
1. Section C.40.8.3.1.1 – delete in its entirety and substitute: On an annual basis, the Contractor shall achieve the following two requirements to be eligible for an incentive under the low-income benchmark. First, the Contractor must spend a minimum of 20% of the SETF funds allocated to this Contract on expenditures that increase the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District. For example, if the Contractor's annual expenditures from the SETF for a given fiscal year are \$19.179 million, the Contractor must spend a minimum of \$3.835 million in that fiscal year on low-income programs. Second, the Contractor must achieve a combined 46,556 MMBtu reduction in electricity and natural gas consumption attributable to low-income programs implemented by the Contractor (the "Low-Income Energy Consumption Reduction Goal").					
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.					
15A. Name and Title of Signer (Type or print) James McDonald, CEO		16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST		16C. Date Signed 9-28-17	
15B. Name of Contractor Vermont Energy Investment Corporation		15C. Date Signed 9/28/17		16B. District of Columbia (Signature of Contracting Officer)	

<p align="center">CONTINUATION SHEET</p> <p>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</p>	<p align="center">Contract Number</p> <p>DOEE-2016-C-0002</p>	<p align="center">Page of Pages</p> <p align="center">2 3</p>
<p>2. Section C.40.8.3.1.2 – delete in its entirety and substitute:</p> <p>In calculating the percentage of annual expenditures (i.e. 20%), the Contractor’s annual total expenditures from the SETF, including General and Administrative Costs as defined in Attachment J.15, shall be included in the denominator but not the numerator (the Total Direct Program Costs incurred to implement all on low-income programs).</p> <p>3. Section C.40.8.3.2.1 – delete in its entirety and substitute:</p> <p>The performance incentive for this benchmark is a sliding scale where the higher the percent of expenditures and the higher the amount of total energy savings achieved through low-income programs, the higher the performance incentive. The Contractor’s achievement against this benchmark will be evaluated on an annual basis, based on the amount spent by the Contractor on low-income programs and the amount of total energy savings achieved through the low-income programs implemented by the Contractor. The Contractor shall receive 50% of the annual incentive for this benchmark if the Contractor achieves an annual expenditure level for programs targeted towards low-income residents in the District, that is equivalent to 20% of the Contractor’s annual expenditures from the SETF, and achieves at least 50% of the Low Income Energy Consumption Reduction Goal in combined electricity and natural gas verified savings through low-income programs implemented by the Contractor. As stated in Section C.40.3, when determining whether the Contractor is eligible for an incentive under this benchmark in FY 2017:</p> <p>1) The SETF funds allocated to Option Year 6 of Contract No. DDOE-2010-SEU-001 and the SETF expenditures made by the Contractor on low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the calculation of the Contractor’s percentage spend on low income programs in FY 2017; and</p> <p>2) The savings achieved by the Contractor for its low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the total savings achieved by the Contractor for this benchmark in FY 2017.</p> <p>4. Section C.40.8.3.2.2 – delete in its entirety and substitute:</p> <p>For every 10% increase above the 50% level toward meeting the Low Income Energy Consumption Reduction Goal in annual verified energy savings attributable to low-income programs, the Contractor will receive pro-rated compensation up to the maximum amount of incentive available in a given year. For example, if the Contractor spends 20% of its annual expenditures from the SETF on low-income programs, and achieves 60% of the Low Income Energy Consumption Reduction Goal, the Contractor will receive a total incentive of \$60,000 (\$50,000 for achieving the required level of expenditures on low-income programs and the Low Income Energy Consumption Reduction Goal in a given year, and \$10,000 for achieving 60% (“10%” greater than 50%) of the Low Income Energy Consumption Reduction Goal. The total performance incentive available each year for this benchmark is capped at \$100,000.</p>		

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		3	3

5. **Section C.40.8.3.3 – *Penalty Structure*** - delete in its entirety and substitute:

The penalty for this benchmark is on a sliding scale where the lower percent of expenditures and the lower the amount of total energy savings achieved through low-income programs, the higher the penalty. For each year of this Contract, a penalty of 50% of the annual performance incentive for this benchmark (or \$50,000) shall be assessed if the Contractor spends less than 20% of the Contractor's total annual expenditures from the SETF on low-income programs for that year, and achieves less than 50% of the annual Low Income Energy Consumption Reduction Goal in combined electricity and natural gas verified energy savings through low-income programs implemented by the Contractor. A penalty of 75% of the incentive for this benchmark (or \$75,000) shall be assessed if the Contractor's annual expenditures on low-income programs is less than 15% of the Contractor's total annual expenditures from the SETF for that year, and the Contractor fails to achieve at least 40% of the annual Low Income Energy Consumption Reduction Goal. A penalty of 100% of the annual performance incentive for this benchmark (or \$100,000) shall be assessed if the Contractor's annual expenditures on low-income programs is less than 10% of the Contractor's total annual expenditures from the SETF for that year, and the Contractor fails to achieve at least 30% of the annual Low Income Energy Consumption Reduction Goal. As stated in Section C.40.2, when determining whether the Contractor is liable for a penalty under this benchmark in FY 2017:


- i. The SETF funds allocated to Option Year 6 of Contract No. DDOE-2010-SEU-001 and SETF expenditures made by the Contractor on low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the calculation of the Contractor's percentage spend on low income programs in FY 2017; and
- ii. The savings achieved by the Contractor for its low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the total savings achieved by the Contractor for this benchmark in FY 2017.

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AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT				1. Contract Number DOEE-2016-C-0002		Page of Pages 1 2	
2. Amendment/Modification Number M02		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.		5. Solicitation Caption District of Columbia Sustainable Energy Utility Services	
6. Issued by: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003				7. Administered by (If other than line 6) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5 th Floor Washington, D.C. 20002			
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Washington, DC 20003				9A. Amendment of Solicitation No.			
				9B. Dated (See Item 11)			
				10A. Modification of Contractor/Order No. DOEE-2016-C-0002			
				10B. Dated (See Item 13) April 5, 2017			
Code		Facility		X			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting and Appropriation Data (If Required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14							
A. This change order is issued pursuant to the Clean and Affordable Energy Act of 2008 ("CAEA"), § 202(f) (D.C. Official Code § 8-1774.02(f)). The changes set forth in Item 14 are made in the contract/order no in item 10A.							
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the authority of:							
C This supplemental agreement is entered into pursuant to authority of:							
x D. Other (Specify type of modification and authority) Bilateral modification							
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.							
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)							
<p>Contract number DOEE-2016-C-0002, is hereby modified as follows:</p> <p>1. Section I.3.1 – Insurance: General Requirements –delete in its entirety and substitute: The Contractor at its sole expense shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A- / VII or higher. The Contractor shall require all of its subcontractors to carry the insurance outlined in the attached schedule. DOEE is solely responsible for approval of any changes / additions to this attached schedule (Schedule A).</p>							
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.							
15A. Name and Title of Signer (Type or print) Scott Johnstone, Executive Director				16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST			
15B. Name of Contractor Vermont Energy Investment Corporation		15C. Date Signed June 28, 2017		16B. District of Columbia (Signature of Contracting Officer)		16C. Date Signed 6-28-17	

(Signature of person authorized to sign)

CONTINUATION SHEET		Contract Number		Page of Pages	
AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		DOEE-2016-C-0002		2	2
<p>2. Section C.16.4 – delete in its entirety and substitute: The Contractor must submit to the CA copies of all executed subcontracts within seven days of execution, except for those subcontracts that have already been executed as of the date that this Contract is executed. The Contractor must submit copies of such previously executed subcontracts to the CA within fourteen days of the execution of this Contract. Subcontracts shall include the required flow-down provisions contained in this Contract; for any subcontracts that have already been executed as of the date that this Contract is executed, the Contractor shall within 120 days (a) amend such a subcontract to include any new or revised flow-down and insurance requirements, or (b) terminate the subcontract if the Contractor and subcontractor cannot agree on an amendment that would include any new or revised flow-down and insurance requirements. For any new subcontracts executed after the date of this Contract, the Contractor shall, within 30 days of the date of DOEE’s written approval of the proposed subcontractor insurance coverage and any new or revised flow-down requirements, submit copies of the new subcontracts with the required insurance coverage and flow-down provisions to DOEE. This requirement is separate from the requirement to submit copies of subcontracts and related documents in Section H.1.3.</p>					
<p>3. Section F.4 – Deliverables - is hereby amended by the following:</p> <ul style="list-style-type: none">i. Item No. 0001 (c); <i>Due Date Column</i>: delete “60 days” and substitute “120 days”ii. Item No. 0003 delete the phrase “First draft: 60 days from beginning of contract; Final: 90 days from beginning of contract” and insert the phrase “First draft: 90 days from beginning of contract; Final: 120 days from beginning of contract.”iii. Item No. 0007; <i>Due Date Column</i>: delete “90 days prior to the end of a fiscal year” and insert the following: “90 days prior to the end of a fiscal year, except for FY 2017 when the Annual Plan is due 45 days prior to the end of the fiscal year.”					
<p>4. Section C.11.3 – is hereby amended as follows: <i>first sentence</i>, delete “ninety (90) days” and substitute “one hundred twenty (120) days”</p>					
<p>5. Section C.12 – is hereby amended as follows: insert after the last sentence “, except in Fiscal Year 2017, the Annual Plan shall be completed and submitted to the CA forty five (45) days prior to the end of the fiscal year.”</p>					
<p>6. Section C.40.8.1.1.1 – is hereby amended as follows: <i>first sentence</i>, insert the phrase “and renewable energy” after the phrase “energy efficiency.”</p>					
<p>7. Section J: List of Attachments – is hereby amended by inserting the following:</p> <ul style="list-style-type: none">i. Attachment Number J.13: Vermont Energy Investment Corporation FY 2017 Fringe Benefit Allocation Rateii. Attachment Number J.14: Vermont Energy Investment Corporation FY2017 Cost Methodology For Indirect Allocation Rateiii. Attachment Number J.15: Vermont Energy Investment Corporation General and Administrative Costs Methodology					



AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT				1. Contract Number DOEE-2016-C-0002		Page of Pages	
						1	2
2. Amendment/Modification Number M01		3. Effective Date: See Box 16C		4. Requisition/Purchase Request No.		5. Solicitation Caption District of Columbia Sustainable Energy Utility Services	
6. Issued by: Code Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003				7. Administered by (If other than line 6) Department of Energy and Environment (DOEE) 1200 First Street, NE, 5 th Floor Washington, D.C. 20002			
8. Name and Address of Contractor (No. street, city, county, state and zip code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Washington, DC 20003 Code Facility 				9A. Amendment of Solicitation No.			
				9B. Dated (See Item 11)			
				10A. Modification of Contractor/Order No. DOEE-2016-C-0002			
				10B. Dated (See Item 13) April 5, 2017			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting and Appropriation Data (If Required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS , IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14							
A. This change order is issued pursuant to the Clean and Affordable Energy Act of 2008 ("CAEA"), § 202(f) (D.C. Official Code § 8-1774.02(f)). The changes set forth in Item 14 are made in the contract/order no in item 10A.							
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data etc.) set forth in item 14, pursuant to the authority of:							
C This supplemental agreement is entered into pursuant to authority of :							
x D. Other (Specify type of modification and authority) Bilateral modification in accordance with 27 DCMR 3601.2(c)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return one (1) copy to the issuing office.							
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.) In accordance with 27 DCMR §3601(2), contract number DOEE-2016-C-0002, is hereby modified as follows: 1. Section I.3.1 – Insurance: General Requirements –delete in its entirety and substitute: <p style="margin-left: 40px;">Section I.3.1 - GENERAL REQUIREMENTS. The Contractor shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract.</p>							
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.							
15A. Name and Title of Signer (Type or print) Scott Johnstone, Executive Director				16A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST			
15B. Name of Contractor Vermont Energy Investment Corporation 		15C. Date Signed 05/02/17		16B. District of Columbia		16C. Date Signed May 3, 2017	
(Signature of person authorized to sign)		(Signature of Contracting Officer)					

CONTINUATION SHEET		Contract Number		Page of Pages	
AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT		DOEE-2016-C-0002		2	2
<p>In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A-VIII or higher. The Contractor shall require its subcontractors to procure and maintain appropriate insurance coverage in proportion to the subcontractor’s Scope of Work and the level of risk involved. The appropriate type and amount of insurance coverage for subcontractors will be determined and specified in writing by the District’s Office of Risk Management in consultation with the Contractor. The Contractor shall ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event the stated limit in the declarations page of the policy is reduced via endorsement or the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium.</p>					
<p>2. Section C.16.4 – IC and Subcontractor Performance: delete 30 and substitute 60.</p>					
<p>3. Section F.4 – Deliverables: Line 0001 (c): delete 30 and substitute 60.</p>					

AWARD/CONTRACT		1. Reserved for later use		Page of Pages	
				1	91
2. Contract Number DOEE-2016-C-0002		3. Effective Date See Box 20C.		4. Requisition/Purchase Request/Project No.	
5. Issued By: Office of the Deputy Mayor for Planning and Economic Development Office of Contracts, Procurement and Grants 1015 Half Street, S.E., Suite 675 Washington, D.C. 20003		Code		6. Administered by (If other than line 5) Department of Energy and Environment 1200 First Street, N.E., 5 th Floor Washington, D.C. 20002	
7. Name and Address of Contractor (No. street, city, county, state and Zip Code) Vermont Energy Investment Corporation 128 Lakeside Avenue, Suite 401 Burlington, VT 05401		8. Delivery <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Section F.3)			
		9. Discount for prompt payment			
Code		Facility		10. Submit invoices to the address shown in: <input type="checkbox"/> Item Sections G.1.1 G.1.2	
11. Ship to/Mark For		Code		12. Payment will be made by	
SAME AS BLOCK 6				Code	
13. Reserved for future use		14. Accounting and Appropriation Data			

15A. Item	15B. Supplies/Services	15C. Qty.	15D. Unit	15E. Unit Price	15F. Amount
001	District of Columbia Sustainable Energy Utility Contractor	1	Job	See Section B	TBD
Total Amount of Contract					TBD

16. Table of Contents							
(X)	Section	Description	Page	(X)	Section	Description	Page
PART I – THE SCHEDULE				PART II – CONTRACT CLAUSES			
X	A	Contract Award/Cover	1-8	X	I	Contract Clauses	75-90
X	B	Supplies or Services and Cost	9-18	PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
X	C	Description/Specifications/Work Statement	19-54	X	J	List of Attachments	91
X	D	Packaging and Marking	55	PART IV – REPRESENTATIONS AND INSTRUCTIONS			
X	E	Inspection and Acceptance	56	K	Representations, Certifications and Other Statements of Offerors		
X	F	Deliveries or Performance	57-59	L	Instructions, conditions & notices to offerors		
X	G	Contract Administration data	60-64	M	Evaluation factors for award		
X	H	Special Contract Requirements	65-74				

Contracting Officer will complete Item 17 or 18 as applicable			
17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1</u> copy to Issuing office.) Contractor agrees to furnish and deliver all items, perform all the services set forth or otherwise identified above and on any continuation sheets, for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)		18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.	
19A. Name and Title of Signer (Type or print) Scott Johnstone Executive Director		20A. Name of Contracting Officer Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST Director of Contracts, Procurement and Grants	
19B. Name of Contractor: Vermont Energy Investment Corporation	19C. Date Signed 2/21/2017	20B. District of Columbia	20C. Date Signed 4-5-17
 (Signature of person authorized to sign)		 (Signature of Contracting Officer)	
★★ Government of the District of Columbia Office of the Deputy Mayor for Planning and Economic Development			

This AGREEMENT (this “Contract”) is made by the District of Columbia Department of Energy and Environment (“DOEE”), whose headquarters are at 1200 First Street NE, 5th Floor, Washington, DC 20002, and Vermont Energy Investment Corporation (hereinafter referred to as “Contractor” or “VEIC”), whose headquarters are at 128 Lakeside Avenue, Suite 401, Burlington, VT 05401.

WHEREAS, the Clean and Affordable Energy Act of 2008 (D.C. Code §8-1773.01 *et seq.*) establishes authority in the Mayor, by, and through DOEE, to contract with a private entity to be known as the District of Columbia Sustainable Energy Utility (“DCSEU”) to administer sustainable energy programs in the District, including the development, coordination, and provision of programs for the purpose of promoting the sustainable use of energy in the District,

WHEREAS, the DOEE Director delegated to the Director of Contracts, Procurement and Grants, Office of the Deputy Mayor for Planning & Economic Development, authority for the procurement of this Contract,

WHEREAS, the Contractor shall conduct programs in the District to reduce energy consumption, increase renewable energy generating capacity, improve the energy efficiency and increase the renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents, and increase the number of green-collar jobs in the District,

WHEREAS, this Contract shall be performance-based and provide financial incentives for the Contractor to meet or exceed the required performance benchmarks, and financial penalties if the Contractor fails to meet the required performance benchmarks,

WHEREAS, the Contractor’s portfolio of energy efficiency programs shall meet the societal benefit test as set forth herein on a contract-term basis,

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

A.1 Definitions

- A.1.1** “**Affiliate**” means: (a) Any person or entity who owns directly, indirectly or through a chain of successive ownership, 10% or more of the voting securities of the Contractor; (b) Any person or entity, 10% or more of whose voting securities are owned, directly or indirectly, by an affiliated interest as defined in (a) above; or (c) Any person or entity, 10% or more of whose voting securities are owned, directly or indirectly, by the Contractor.
- A.1.2** “**Building energy benchmarking**” is the process of measuring a building’s energy performance using a standard metric and comparing it to its own past performance and those of its peers.
- A.1.3** “**Capacity Credit**” is an entitlement to a specified number of megawatts (“MW”) of unforced capacity from a specific resource, for the purpose of

satisfying capacity obligations imposed under the PJM Reliability Assurance Agreement.

- A.1.4** “**Certified Business Enterprises**” or “**CBE**” is the term used to describe the District Department of Small and Local Business Development’s (“DSLBD”) business certification program. The DSLBD maintains a database of all certified local, small, and disadvantaged business enterprises that are deemed CBEs. Businesses with CBE certification receive preferred procurement and contracting opportunities.
- A.1.5** “**Community Net Metering**” or “**CNM**” means a billing arrangement under which the monetary value of electric energy generated by a Community Renewable Energy Facility and delivered to the electric company’s local distribution facilities is used to create a billing credit for CREF Subscribers.
- A.1.6** “**Community Net Metering Credit**” or “**CNM Credit**” means the credit realized by the Subscriber, based on its ownership share in the CREF. The credit will be reflected on the Subscriber’s bills from the Electric Company.
- A.1.7** “**Community Renewable Energy Facility**” or “**CREF**” means an energy facility with a capacity no greater than fifteen (15) megawatts that: (a) uses renewable resources defined as tier one renewable sources in accordance with Section 3(15) of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431(15), as amended); (b) is located within the District of Columbia; (c) has at least two (2) subscribers; and has executed an Interconnection Agreement and a CREF Rider with the Electric Company.
- A.1.8** “**Contractor**” is the contact point and responsible entity for the provision of services under this Contract.
- A.1.9** “**Cost Reimbursement Ceiling**” means the maximum amount of reimbursed compensation for all eligible costs and expenses, including a non-at-risk Fixed Fee, incurred by the Contractor.
- A.1.10** “**District**” means the District of Columbia.
- A.1.11** “**District Council**” means the Council of the District of Columbia.
- A.1.12** “**District of Columbia Sustainable Energy Utility**” or “**DCSEU**” is a registered trade name under which a private Contractor selected by the Mayor, by and through DOEE, pursuant to an RFP, develops, coordinates, and provides programs for the purpose of promoting the sustainable use of energy in the District (D.C. Code § 8-1773.01(19)).
- A.1.13** “**Energy Efficiency**” means the use of less energy to provide the same or an improved level of service to the energy consumer; or the use of less energy to

perform the same function.

- A.1.14** **“Energy Efficiency Measure” or “EEM”** means an installed piece of equipment or system, or modification of equipment, systems, or operations on end-use participant facilities that reduce the total amount of electrical or gas energy and capacity that would otherwise have been needed to deliver an equivalent or improved level of end-use service.
- A.1.15** **“Energy Efficiency Programs/Services”** means an offer to a participant of one or more of a wide variety of services, including financial rebates, technical assistance, product installations, training, energy efficiency information or other services, items, or conditions.
- A.1.16** **“Evaluation, Measurement, & Verification Forum” or “EM&V Forum”** is a project facilitated by Northeast Energy Efficiency Partnerships, whose purpose is to support the development and use of consistent protocols to evaluate, measure, verify, and report the savings, costs, and emission impacts of energy efficiency and other demand-side resources.
- A.1.17** **“Fiscal Agent” or “FA”** means the Office of the Chief Financial Officer of the District of Columbia. All funds used to support this Contract shall be managed by the FA.
- A.1.18** **“Full-Time Equivalents” or “FTE”** means a total of 1,950 labor hours worked in support of this Contract, and equals one full-time equivalent of a year-round job.
- A.1.19** **“Green Job” or “Green-Collar Job”** means any Contractor expenditures that, directly or through contracting, create one (1) FTE job held by a District resident who is paid at least a living wage; or a factor of \$200,000 of Contractor's direct cash incentives to end-use customers and/or manufacturers.
- A.1.20** **“Implementation Contractor” or “IC”** means any individual or entity selected pursuant to requirements in Section C.15 by, or in a teaming agreement with, the Contractor to implement or deliver specific programs and services.
- A.1.21** **“IMT Consultant Agreement”** means the Consultant Agreement between Contractor and Institute for Market Transformation (“IMT”) for work performed by Contractor under US DOE Grant No. DE-EE0007063. Work performed by Contractor under the IMT Consultant Agreement will be partially funded by the SETF.
- A.1.22** **“Key Contractor Personnel”** are the personnel identified by the Contractor that have responsibility and accountability for the provision of services under this Contract. Key Contractor Personnel manage the core operations of the DCSEU. Examples of potential Key Contractor Personnel include the following: Managing Director/Executive Director, Director of Operations, Finance

Manager, IT/MIS Manager, and Marketing/ Outreach Manager and Education Manager.

- A.1.23** “**Living Wage**” means a minimum hourly wage as determined by the District Department of Employment Services in accordance with the “Living Wage Act of 2006,” Title I of D.C. Law 16-118 (D.C. Official Code §§2-220.01-.11).
- A.1.24** “**Lost Opportunity**” is an energy program strategy that captures energy efficiency opportunities at the time of a naturally-occurring market event, such as when a participant constructs, expands, renovates, or remodels a home or a building or makes an initial purchase of equipment, or replaces failed equipment.
- A.1.25** “**Low-Income Households**” are households that have annual incomes equal to or below 80% of the Area Median Income (“AMI”) or 60% of the State Median Income (“SMI”), whichever is higher. For a household of 4 persons, the area median income for a household of 4 persons in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development.
- A.1.26** “**Low-Income Housing**” is defined as the District’s stock of affordable, low-income housing. It is defined as either (a) a single home where the owner or occupant meets the definition of “low-income households” in this Contract, (b) a multifamily building where at least 66% of the households meet the definition of “low-income households” in this Contract, (c) buildings owned by non-profit organizations or government that meet the definition of “low-income households” in this Contract, or (d) buildings where there are contracts or other legal instruments in place that assure that at least 66% of the housing units in the building will be occupied by low-income households.
- A.1.27** “**Low-Income Clinics**” mean clinics or other health facilities that are designated as a Federally Qualified Health Center (FQHC) in the District of Columbia or are designated by the District of Columbia’s Department of Healthcare Finance (DCHF) or other District of Columbia government agency to be providers that serve the healthcare needs of District of Columbia residents enrolled in the Medicaid program.
- A.1.28** “**Market Transformation**” is an energy program strategy that leads to a reduction in market barriers resulting from a market intervention, as evidenced by market effects that last after the intervention has been withdrawn, reduced, or changed.
- A.1.29** “**PJM Capacity Market**” is the general term for the rules and market constructs to ensure that there are adequate resources to reliably meet PJM’s load.
- A.1.30** “**Reliability Pricing Model**” or “**RPM**” is PJM’s resource adequacy construct. The purpose of RPM is to develop a long term pricing signal for capacity resources and load-serving entities’ obligations that is consistent with the PJM

Regional Transmission Expansion Planning Process.

- A.1.31** **“Renewable Energy”** means the following energy generation systems in the District of Columbia: solar photovoltaic; solar thermal; geothermal heat pumps; wind; biomass; and methane or waste-gas capture or as defined in Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; DC Official Code § 34-1431(15), as amended).
- A.1.32** **“Renewable Energy Programs/Services”** means an offer to a participant of one or more of a wide variety of services, including financial rebates, technical assistance, product installations, consumer information or other services, items, or conditions that incentivize the adoption of renewable energy.
- A.1.33** **“Shelter”** means a building or organization that provides temporary residence for those suffering from homelessness or domestic violence.
- A.1.34** **“Sustainable Energy Programs”** means Energy Efficiency Programs/Services and Renewable Energy Programs/Services.
- A.1.35** **“Sustainable Energy Utility Advisory Board” or “Board”** is comprised of 13 members as designated in Section 203 of the CAEA (D.C. Code § 8-1774.03). The Board provides advice, comments, and recommendations to DOEE and the District Council regarding the administration of this Contract; meets quarterly with representatives from the Contractor to monitor the Contractor’s programs and performance; reports on the progress of the DCSEU to the District Council and public annually, and convenes any subcommittees and working groups it considers appropriate without any limitation as to the membership of such groups.
- A.1.36** **“Technical Assistance”** is support provided by the Contractor to customers and other market actors that includes but is not limited, to building walk-throughs to identify energy efficiency opportunities; strategic energy management and planning; RFP development, support, and review for energy-using equipment; assistance with technology selection and financial analysis of potential options to support better customer decision making; access to financing; verification and validation of vendor energy projects and savings claims; technology and best practices information sharing; retail displays and education; new construction and design/plan analysis; involvement with code creation/training; community engagement; support with benchmarking; whole building and measure-specific metering/submetering and data analysis; and technical data analysis of pre-and post-project conditions. Technical Assistance shall not be counted as energy savings without the development and acceptance in writing of mutually agreeable protocols by DOEE and the Contractor for savings attribution.
- A.1.37** **“Technical Reference Manual” or “TRM”** is a regularly updated, comprehensive list of prescriptive measures used by the Contractor to estimate annual energy savings and cost-effectiveness of measures installed or programs

implemented.

A.1.38 **“Work In Progress” (“WIP”)** means partially completed energy efficiency and/or renewable energy projects for which project-related costs, including labor, overhead, materials and equipment acquired by the Contractor or the Contractor’s subcontractors have been purchased in support of the Contractor’s energy efficiency or renewable energy projects, or installed prior to submitting a partial invoice to DOEE in support of performance benchmarks or contract milestone deliverables.

A.2 **Acronyms**

ADA	Americans with Disabilities Act of 1990, 42 U.S.C. §12101 <i>et seq.</i>
CA	Contract Administrator
CAEA	Clean and Affordable Energy Act of 2008, D.C. Code § 8-1773.01 <i>et seq.</i>
CBE	Certified Business Enterprise
CBO	Community-Based Organization
CO	Contracting Officer
DCSEU	District of Columbia Sustainable Energy Utility
DOEE	Department of Energy & Environment
DOES	District Department of Employment Services
DSLBD	District Department of Small and Local Business Development
EM&V	Evaluation, Measurement, & Verification
ESCO	Energy Service Companies
FA	Fiscal Agent
FTE	Full-Time Equivalents
GAAP	Generally Accepted Accounting Principles
GBA	Green Building Act of 2006, D.C. Code § 6-1451.01 <i>et seq.</i>
IC	DCSEU Implementation Contractor
IMT	Institute for Market Transformation
IT	Information Technology
MIS	Management Information System
MW	Megawatt, a unit of power equivalent to one million watts.
NEBs	Non-Energy Benefits
NEEP	Northeast Energy Efficiency Partnerships
NTE	Not to Exceed
OCF	Office of Contracting and Procurement
PACE	Property Assessed Clean Energy
PJM	PJM Interconnection (a regional transmission organization)
PSC	Public Service Commission
PV	Photovoltaic
REC	Renewable Energy Certificate
RFP	Request for Proposals
RPM	PJM’s Reliability Pricing Model
RPS	Renewable Portfolio Standard
SBE	Small Business Enterprise

SCP	Standard Contract Provisions – Supplies and Services Contracts, dated July, 2010
SETF	Sustainable Energy Trust Fund, D.C. Code § 8-1774.10
SEU	Sustainable Energy Utility
SEUAB	Sustainable Energy Utility Advisory Board
SREC	Solar Renewable Energy Certificate
TRM	Technical Reference Manual
US DOE	
or DOE	U.S. Department of Energy

SECTION B: CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE

B.1 Contract Type – COST REIMBURSEMENT PLUS FIXED FEE

The District awards a cost reimbursement, fixed fee contract that also includes at-risk compensation for meeting or exceeding the performance benchmarks, and penalties for not meeting the performance benchmarks. The Contractor shall provide the full scope of services described in the Statement of Work (see Section C) for a FY2017 – FY2021 base period ending September 30, 2021.

B.2 Term of Contract

The term of this Contract shall be a base period from the date of award through September 30, 2021, renewable for a one option period of five additional years.

B.3 Cost Schedule – Cost Reimbursement – Five Year Base Period

B.3.1 Base Year One (CLINs 1001-1002): Date of Award - September 30, 2017

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
1001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$14,179,167	N/A	\$14,179,167
1002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	820,833	\$820,833
Total for B.3.1				\$15,000,000

B.3.2 Base Year Two (CLINs 2001-2002): October 1, 2017 - September 30, 2018

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
2001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$18,558,333	N/A	\$18,558,333.00
2002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$1,441,667	\$1,441,667.00
Total for B.3.2				\$20,000,000.00

B.3.3 Base Year Three (CLINs 3001-3002): October 1, 2018 - September 30, 2019

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
3001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$17,850,000	N/A	\$17,850,000.00
3002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$2,150,000	\$2,150,000.00
Total for B.3.3				\$20,000,000.00

B.3.4 Base Year Four (CLINs 4001-4002): October 1, 2019 - September 30, 2020

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
4001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$17,141,667	N/A	\$17,141,667.00
4002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$2,858,333	\$2,858,333.00
Total for B.3.4				\$20,000,000.00

B.3.5 Base Year Five (CLINs 5001-5002): October 1, 2020 - September 30, 2021

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
5001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$15,800,000	N/A	\$15,800,000.00
5002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$4,200,000	\$4,200,000.00
Total for B.3.5				\$20,000,000.00

B.4 Cost Schedule – Cost Reimbursement – Five-Year Option Period¹

B.4.1 Option Year One (CLINs 6001-6002): October 1, 2021 - September 30, 2022

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
6001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$19,179,167	N/A	\$19,179,167.00
6002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$820,833	\$820,833.00
Total for B.4.1				\$20,000,000.00

B.4.2 Option Year Two (CLINs 7001-7002): October 1, 2022 - September 30, 2023

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
7001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$18,558,333	N/A	\$18,558,333.00
7002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$1,441,667	\$1,441,667.00
Total for B.4.2				\$20,000,000.00

¹ Option Period Years One – Five follow the same structure as Base Period Years One – Five.

B.4.3 Option Year Three (CLINs 8001-8002): October 1, 2023 - September 30, 2024

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
8001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$17,850,000	N/A	\$17,850,000.00
8002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$2,150,000	\$2,150,000.00
Total for B.4.3				\$20,000,000.00

B.4.4 Option Year Four (CLINs 9001-9002): October 1, 2024 - September 30, 2025

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
9001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$17,141,667	N/A	\$17,141,667.00
9002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$2,858,333	\$2,858,333.00
Total for B.4.4				\$20,000,000.00

B.4.5 Option Year Five (CLINs 10001-10002): October 1, 2025 - September 30, 2026

Contract Line Item No. (CLIN)	Item Description	Cost Reimbursement Ceiling	Incentive Payments	Maximum Total Cost
10001 (C.1 - C.38, C.40.8.5.4 – C.40.11.4)	DCSEU SOW Requirements	\$15,800,000	N/A	\$15,800,000.00
10002 (C.39 – C.40.8.5.3)	Performance Incentives	N/A	\$4,200,000	\$4,200,000.00
Total for B.4.5				\$20,000,000.00

B.5 Annual Appropriations of Funds and Multiyear Contract

B.5.1 Annual Appropriation of Funds

DOEE's liability under this Contract is contingent upon the annual appropriation of funds with which to make payment for the contract purposes. The legal liability on the part of DOEE for the payment of any money shall exist only after such annual appropriation shall have been provided. This Contract covers five (5) fiscal years, and work shall not commence in a particular fiscal year of the contract until the Contractor is in receipt of a purchase order from DOEE for that fiscal year. Unspent funds allocated in one fiscal year may be eligible to be added to the next fiscal year's purchase order. Funding for fiscal year 2018, which begins on October 1, 2017, is subject to the availability of funding for this Contract.

B.5.2 Multiyear Contract

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of this multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this Contract. Unless otherwise provided for in the contract, the effect of termination is to discharge both DOEE and the Contractor from future performance of the contract, but not from the existing obligations. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. See Section I.13, provision for cancellation charges.

B.5.3 In this multiyear, performance-based contract, in a particular year of the contract, the Contractor shall be eligible for performance incentives only up to the amount set aside for that year. Therefore, if this multiyear contract is terminated early, i.e. before the end of the FY2017 – FY2021 base period, the Contractor shall be eligible for an incentive payout not to exceed the total incentive amount for the year the contract is terminated, even if the Contractor achieves performance targets that would have made it eligible for greater incentives in a later year of the contract.

B.6 Anti-Deficiency Limitations

B.6.1 Pursuant to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 1511-1519 (2004) (the "Federal ADA"), and D.C. Official Code §§ 1-206.03(e) and 47-105; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (the "D.C. ADA" and (i) and (ii) collectively, as amended from time to time, the "Anti-Deficiency Acts"); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46, the District cannot obligate itself to any financial commitment in any present or future year unless the necessary funds to pay that commitment have been appropriated by the Congress of the United States (the

“Congress”) and are lawfully available for the purpose committed. Thus, pursuant to the Anti-Deficiency Acts, nothing in this Contract creates a monetary obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any contractual obligation and other charges under this Contract does not and may not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

B.6.2 During the term of this Contract, the Mayor of the District of Columbia or other appropriate official will, for each fiscal year, include in the budget application submitted to the District Council, the amount necessary to fund the District’s known potential financial obligations under this Contract for such fiscal period. In the event that a request for such appropriations is excluded for any reason from the budget approved by the District Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay any contractual obligation and/or any other amount under this Contract for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not collected or are not otherwise lawfully available, the District will not be liable to make any payment under this Contract after the exhaustion or expiration of any then-existing appropriation, the District shall promptly notify the Contractor, and this Contract shall immediately terminate upon the exhaustion or expiration of any then-existing appropriation.

B.6.3 Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability to the Contractor in connection with the breach of the provisions of this Section or in the event of a Default by the District under this Contract.

B.6.4 This Contract shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia Official or employee is authorized to obligate or expend any amount under this Contract unless such amount has been appropriated by Act of Congress and is lawfully available.

B.7 Other Limitations

B.7.1 The total available funds for Contractor expenditures and a non-at-risk Fixed Fee in FY 2017 shall not exceed \$15 million minus the total amount withheld by DOEE that year for performance incentives. The total available funds for Contractor expenditures and a non-at-risk Fixed Fee in fiscal years 2018 – 2021 shall not exceed an annual amount of \$20 million minus the total amount withheld by DOEE that year for performance incentives.

B.7.2 Over the base period of this Contract, the performance incentives that the Contractor is eligible to receive shall not exceed \$5 million. The maximum amount of performance incentives that the Contractor is eligible to receive for a

particular fiscal year will be withheld by DOEE at the beginning of that fiscal year. The same structure will be repeated in the option period.

B.7.3 As discussed in sections C.39 and C.40, performance targets and incentives for the electricity, natural gas, and renewables performance benchmarks are cumulative, so that any incentives not earned in a given year may still be earned in the following year if the Contractor achieves the minimum benchmark performance targets for a given fiscal year. If full performance is not achieved in a particular year, the unearned performance incentives for the electricity, natural gas, and renewables benchmarks for that year shall be withheld by DOEE at the beginning of the next fiscal year. If the Contractor does not earn any performance incentives in Years 1 – 4, up to \$4.2 million will be withheld for performance incentives in Year 5 of this Contract. The performance incentives for the green jobs and low income benchmarks will be awarded annually; for these benchmarks, the Contractor will not be eligible to receive in a later year any incentive not earned in an earlier year of the base period.

B.7.4 Reimbursable General Administrative Costs and the Fixed Fee, invoiced for any contract year pursuant to Section G may not exceed 20% of the Cost Reimbursement Ceiling for that year.

B.8 Compensation, Payment and Performance Provisions

DOEE shall compensate the Contractor for satisfactory performance of this Contract as follows:

B.8.1 Total Compensation

The total compensation amount for all eligible costs, expenses and performance incentives for benchmarks under this Contract for the base period starting with contract execution and ending September 30, 2021 may not exceed the maximum annual amount of: 1) \$15 million in FY 2017; and 2) \$20 million in FYs 2018 – 2021. As stated in Section B.7.2, at the beginning of each fiscal year, the total incentive amount for that year that the Contractor is eligible for shall be withheld from the annual amount of \$15 million in FY 2017 or \$20 million in FYs 2018 – 2021.

B.8.1.1 Cost Reimbursement Ceiling and Structure of Compensation

B.8.1.1.1 As stated in Section B.7.1, the Cost Reimbursement Ceiling in a given fiscal year shall not exceed either \$15 million for FY 2017 or \$20 million for FY 2018 – 2021, minus the total amount withheld by DOEE that year for performance incentives. The structure of compensation for the provision of services and initiatives under this Contract for FY 2017 shall be comprised of:

- 1) Reimbursement of actual costs and expenses incurred up to \$13,633,814 for the period starting with contract execution and ending September 30, 2017;

- 2) A Fixed Fee equal to 4.0% of reimbursed costs, not to exceed \$545,353 for the period starting with contract execution and ending September 30, 2017; and
- 3) At risk compensation of up to \$820,833 to be paid after an independent verification of attainment of performance benchmarks for the period ending September 30, 2017. As provided in Sections C.40, at-risk compensation for the first base year shall be determined from combined FY 2017 performance under this Contract and under Contract No. DDOE-2010-SEU-001.

B.8.1.1.2 For fiscal years 2018 through 2021, the actual contract maximum amounts for reimbursable costs and Fixed Fee will be incorporated into this Contract with a contract modification. As stated in Section B.7.3, these amounts will be determined by first deducting the total of the performance incentives the Contractor will be eligible for that particular fiscal year from the total contract value. Attachment J.10 provides a breakdown of the Cost Reimbursement Ceilings for the following two scenarios: 1) if the Contractor meets all the performance benchmarks on an annual basis; and 2) if the Contractor does not meet any of the performance benchmarks until Year 5.

B.8.2 Eligible Costs and Expenses

B.8.2.1 The Contractor shall be compensated for reasonable and appropriate services provided and expenses incurred in order to carry out the contractual responsibilities of the DCSEU and perform the Statement of Work. Compensation for such services and expenses shall be based on the Contractor's actual costs incurred throughout the term of this Contract.

B.8.2.2 The following expenditures shall not be reimbursable without prior written approval from DOEE:

- 1) Any expenditures on food and beverages (alcoholic and non-alcoholic), except as part of an employee's travel expenses. Alcoholic beverage shall not be reimbursable under any circumstances without prior written approval by DOEE.
- 2) Any expenditure on sponsorship of a third-party event or any expenditure of funds to cover part or whole of the costs of a third-party event.
- 3) Any expenditure on valet parking, or employee or consultant parking.
- 4) Any expenditure on rent and utilities for employees or consultants.

B.8.2.3 The Contractor shall list any expense on food, beverage, sponsorships, valet parking, employee or consultant parking, or rent and utilities for employees or consultants, as a separate line item on its invoices, and shall only seek reimbursement for such expenses after obtaining written approval from DOEE.

B.8.2.4 Travel-related expenses: Travel-related expenses incurred by the Contractor:

- 1) Shall be in accordance with the Federal Government's Federal Travel Guidelines. For further information on these guidelines, see: <http://www.gsa.gov/portal/content/104790>;
- 2) Shall not exceed the Federal Government's Per Diem Rates for a particular location. More information on Per Diem Rates can be found here: <http://www.gsa.gov/portal/content/104877>, and Per Diem Rates for a specific location are available in this website: <http://www.gsa.gov/portal/category/100120>; and
- 3) Shall, for meals and incidental expense, be in accordance with the Federal Government's rules and guidelines for Meals and Incidental Expenses (M&IE) Breakdown; more information on these rules and guidelines can be found here: <http://www.gsa.gov/portal/content/101518>

B.8.2.5 On request by DOEE, the Contractor shall separately itemize travel-related expenses such that DOEE can verify compliance with Federal Government travel rules and guidelines referenced in this section.

B.8.2.6 Expenditures shall not be reimbursable if they are not in conformity with the guidance and/or rules proscribed in: 1) IRS guidance, or 2) OMB guidance. Contractor's reimbursement procedures shall be submitted annually for DOEE review.

B.8.3 Limitations on Cost Reimbursement Ceiling

B.8.3.1 The Cost Reimbursement Ceiling for this Contract is set forth in Section B.8.1.1.

B.8.3.2 The costs for performing the cost reimbursement elements of this Contract shall not exceed the Cost Reimbursement Ceiling specified in Section B.8.1.1.

B.8.3.3 The Contractor agrees to use its best efforts to perform the work specified in this Contract and to meet all of the cost-reimbursable obligations under this Contract within the Cost Reimbursement Ceiling.

B.8.3.4 The Contractor must notify the Contracting Officer ("CO"), in writing, whenever it has reason to believe that the total cost for the performance of the cost-reimbursable elements of this Contract will be either greater or substantially less than the Cost Reimbursement Ceiling.

B.8.3.5 As part of the notification, the Contractor must provide the CO a revised estimate of the total cost of performing the cost-reimbursable elements of this Contract.

B.8.3.6 The District is not obligated to reimburse the Contractor for costs incurred in excess of the Cost Reimbursement Ceiling specified in Section B.8.1.1, and the

Contractor is not obligated to continue performance under this Contract (including actions under the Termination clauses of this Contract), or otherwise incur costs in excess of the Cost Reimbursement Ceiling specified in Section B.8.1.1, until the CO notifies the Contractor, in writing, that the estimated cost has been increased and provides a revised Cost Reimbursement Ceiling for performing this Contract.

B.8.3.7 No notice, communication, or representation in any form from any person other than the CO shall change the Cost Reimbursement Ceiling. In the absence of the specified notice, the District is not obligated to reimburse the Contractor for any costs in excess of the Cost Reimbursement Ceiling, whether such costs were incurred during the course of contract performance or as a result of termination.

B.8.3.8 If any Cost Reimbursement Ceiling specified in Section B.8.1.1 is increased, any costs the Contractor incurs before the increase that are in excess of the previous Cost Reimbursement Ceiling shall be allowable to the same extent as if incurred afterward, unless the CO issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

B.8.3.9 A change order shall not be considered an authorization to exceed the applicable Cost Reimbursement Ceiling specified in Section B.8.1.1, unless the change order specifically increases the Cost Reimbursement Ceiling.

B.8.3.10 Only costs determined in writing to be reimbursable in accordance with the cost principles set forth in the Generally Accepted Accounting Principles ("GAAP") shall be reimbursable.

B.9 Independent Contractor

The Contractor shall operate the DCSEU in an independent capacity and not as officers or employees of the District of Columbia.

SECTION C: SPECIFICATIONS/ STATEMENT OF WORK

The Contractor shall undertake the following tasks in the execution of this Contract:

C.1 General Administration

C.1.1 The Contractor shall be responsible for the development and monitoring of its own management and operational systems. This includes: (1) budgeting; (2) financial management; (3) Implementation Contract award and management; (4) dispute resolution; and (5) information technology, data collection, and data management.

C.1.2 The Contractor shall provide one or more tables identifying Contractor positions by expected labor category for this Contract. The table(s) must include, at a minimum, the following: 1) the labor category(s) projected to be utilized for this Contract; 2) a description of the skills and experience per category; and 3) the fixed loaded hourly rate(s) proposed, and any other proposed associated costs, for calculating the total proposed cost for this effort. Estimated subcontractor rate information shall also be included, if applicable. The Contractor shall also list by cost category all other expected direct costs necessary to perform the Statement of Work as well as any and all discounts.

C.1.3 In the Contractor's tables identifying its positions by expected labor category, the Contractor shall identify the positions that shall be charged to General and Administrative expenses. The Contractor's tables identifying positions by labor category shall be reviewed by DOEE. The Contractor will report at least quarterly on annual General and Administrative costs-to-date with projections to end of current fiscal year. The Contractor's reports under this section shall, at a minimum, provide itemized costs that comprise the General and Administrative expenses, including : 1) all Contractor employees or consultants that were part of and paid out of General and Administrative costs; 2) the fixed loaded hourly rate(s) for each employee or consultant charged to General and Administrative costs; 3) any other associated costs, for calculating the total General and Administrative costs incurred by the Contractor; and 4) an itemized comparison of the projected General and Administrative expenses approved by DOEE versus the actual General and Administrative expenses incurred by the Contractor.

C.2 Budgeting

No later than 45 days after the contract start date, the Contractor shall develop and provide to DOEE a detailed first-year budget. This budget shall include the following areas: (1) general administration and reporting; (2) management information system ("MIS") and information technology ("IT") development and maintenance; (3) DCSEU marketing; (4) strategic planning analysis and program design; (5) energy efficiency and conservation program delivery, divided into residential and non-residential sectors; (6) participant-sited renewable energy service delivery, divided into residential and non-residential

sectors; (7) any specific startup costs or costs related to the transition from the current DCSEU Contractor to a new Contractor; and (8) any other areas the Contractor believes should be included in the budget forecasts.

C.3 Financial Management

C.3.1 The Contractor shall develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, and payments to subcontractors, ICs, and employees. The Contractor shall maintain financial and accounting records consistent with GAAP defined by both the Governmental Accounting Standards Board and the Financial Accounting Standards Board. The Contractor shall provide the information and documentation required for independent audits, which DOEE will have performed annually.

C.3.2 In order to receive payment, the Contractor shall prepare and submit detailed documentation and invoices for all costs incurred, including but not limited to, administrative, management, and program costs, to the FA and DOEE for review. All invoicing data along with proper supporting documentation must be kept by the Contractor and made available to DOEE and the FA upon request.

C.4 Implementation Contract Management

The Contractor shall solicit, hire and/or contract with all necessary staff and ICs to perform this Statement of Work. The Contractor shall maintain the administrative capability to manage these resources and ensure the completion of each task and sub-task effectively. The Contractor shall be responsible for all the work done by the ICs.

C.5 Dispute Resolution

C.5.1 The Contractor shall develop protocols to track and resolve complaints involving the Contractor, subcontractors, trade allies, and ICs, and submit these protocols to DOEE within 90 days after contract award. The Contractor shall respond administratively to complaints from, or disputes among, affected persons or entities within thirty days of receiving a complaint.

C.5.2 Any dispute, claim or controversy, arising out of or relating to a contract between the Contractor and its subcontractors, ICs, or trade allies, or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of the contract to arbitrate, shall be determined first by mediation. The parties shall choose an independent third-party mediator by mutual agreement and consent, which shall not be unreasonably withheld. When selecting a mediator, the parties shall consider the qualified mediators of the District of Columbia Office of Administrative Hearings. The mediation shall be administered by the third-party mediator, and a resolution on the dispute may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of

mediation from a court of appropriate jurisdiction.

C.6 Information Technology, Data Collection and Management

C.6.1 The Contractor shall collect and electronically compile data needed to monitor, assess, and evaluate its performance, to report on its activities, and to improve the design and delivery of the Contractor's programs and services. The Contractor shall develop and maintain an MIS. Data shall be kept in a relational database format by the Contractor and be organized in such a way that a third party could easily access and utilize necessary information for performing assessment tasks. Information in this system shall include, but not be limited to, tracking data on participants, program services, general program operation, and financial and management data. The MIS shall have the ability to produce *ad hoc* reports for periodic information requests from DOEE, the Board, or the FA.

C.6.2 The types of computer equipment, storage peripherals, communication devices, network equipment, software, printers and any other products necessary for Contractor data processing shall be chosen by the Contractor. The computer equipment and IT services must have the capabilities necessary to perform the tasks set forth in this Statement of Work, and shall be configured so that additional elements can be added without undue hardship, cost, or difficulty. All data and information contained in systems developed by the Contractor must be transferrable to DOEE for further analysis, maintenance, or archiving purposes.

C.7 Managing Participant Data and Sensitive Information

Subject to the requirements of Section C.9, the Contractor shall not sell or otherwise disclose any participant or billing information to any third party without express written authorization from the participant, except for disclosure to the Contractor's subcontractors that (i) require information to conduct their scope of work under this Contract and (ii) have signed required confidentiality agreements. The Contractor shall be liable for damages to the participant for any unauthorized use of participant information or data, including the electric or gas utility company's data on the participant. Specific information and data include, but is not limited to, the participant's name, utility account number, and contact information (service address, billing address and telephone number). The Contractor shall develop and maintain protocols that provide appropriate privacy protections in the collection, processing, storage, and retrieval of information that is participant-specific. The Contractor shall also develop and maintain protocols for competitively sensitive data so that such information is protected and no IC is provided unfair competitive advantages.

C.8 Administrative and Financial Data

The Contractor shall keep records of administrative and financial data consistent with the tasks outlined in this Contract and with GAAP. These tasks include systems to track general project management, invoicing, payroll and subcontractor payments, and the ability to promptly produce the necessary

reports for monitoring these duties.

C.9 Sharing of Data

The District, through DOEE, may share with the Contractor all records received from the building energy benchmarking program operated by DOEE, which collects data on the energy and water performance of all buildings over 50,000 gross square feet, and related programs. This data may be used by the Contractor to improve the design and targeting of its programs, and Contractor may share the data with its subcontractors that (i) require information to conduct their scope of work under this Contract and (ii) have signed required confidentiality agreements. This will include data fields not disclosed to the public. The Contractor shall keep this data confidential and shall be liable for unauthorized use or disclosure of data beyond what is already publicly disclosed by DOEE. The Contractor shall share participant information with DOEE where needed to support other DOEE initiatives such as PACE and Community Solar.

C.10 Service Planning and Implementation

The Contractor shall research, plan, manage, oversee, and implement services to meet performance benchmarks and other goals specified by DOEE. Performance benchmarks are specified in Sections C.39 and C.40.

C.11 Strategic Planning and Program Design

C.11.1

The Contractor shall have primary responsibility for the development and revision of its service offerings on an ongoing basis, including discontinuing existing services and offering new services, when appropriate, in consultation with DOEE. The Contractor shall submit, in writing to DOEE for review, detailed program designs for each energy efficiency and renewable energy program or initiative implemented by the Contractor. The programs must be submitted prior to the official start date for each program or initiative administered by the Contractor. After contract execution, the Contractor shall develop and follow a comprehensive strategic planning analysis ("Strategic Plan") to support program planning for this Contract. The Strategic Plan shall:

- 1) Define approaches to working with private organizations (for-profit and non-profit), which are, or seek to be engaged in promoting or sustaining the use of clean energy in the District;
- 2) Describe an outreach and engagement strategy for residents and businesses, and include measurable objectives to demonstrate effectiveness of the outreach plan; and
- 3) Include a financial plan and describe the growth potential for the Contractor's programs and initiatives under this Contract. This plan shall demonstrate how DOEE funding is expected to support this growth trajectory, along with revenue from other sources.

C.11.2 The Strategic Plan shall lay out how the Contractor will meet the performance goals over the base period of this Contract. The Contractor shall select markets, end-users, and end-use equipment and develop a comprehensive suite of program designs. Each program design must specify, at a minimum: program goals, performance targets, an estimated budget, an implementation strategy, and an evaluation strategy. In developing programs, the Contractor shall identify and maximize the potential revenues and/or cost savings from energy efficiency measures eligible to be bid into the RPM. The Contractor is not required to design or initiate all programs at once, but it must demonstrate how each program fits within the Contractor's overall strategy to meet the performance benchmarks as well as the long-term goals for the DCSEU, as specified in the CAEA and this Contract.

C.11.3 The Strategic Plan shall be provided to DOEE for review within ninety (90) days of contract execution and shall be approved by DOEE. The Strategic Plan is intended to be a living document, and shall be updated as needed to align with changes in the annual or other plans, with significant changes reviewed at least annually with the CA.

C.12 Annual Plan

Each year, the Contractor shall submit an Annual Plan to DOEE. The Contractor shall analyze data and information from the Annual Report, EM&V reports, and strategic planning analyses to review and assess the impacts and effectiveness of its programs. The Contractor shall report in the Annual Plan on this analysis and make any recommendations for improvements and modifications to programs. The Contractor shall also summarize its program design strategies, service offerings, emerging markets initiatives, and other planned implementation activities, including competitive solicitations for Implementation Contractors. The Annual Plan shall be completed and submitted to the CA ninety days prior to the end of each fiscal year in order to facilitate any necessary programmatic or other changes in the Contractor's activities in the following year.

C.13 Coordination with Existing Energy Efficiency Programs and Market Participants

The Contractor shall coordinate with existing energy programs implemented in the District and market participants, such as subcontractors, suppliers, and trade allies. In addition, DOEE administers the PACE contract, benchmarking, energy efficiency and renewable energy programs that help District residents and businesses reduce their overall energy consumption and increase their use of renewable energy. The Contractor shall coordinate with these efforts as required.

C.14 Program Implementation and Delivery

C.14.1 The Contractor may utilize a variety of program delivery strategies. The Contractor is encouraged to accomplish program delivery via competitively-selected Implementation Contractors. DOEE will also consider proposals by

which the Contractor provides program delivery services if the program delivery strategy includes business opportunities for providers of energy efficiency and renewable energy services that are owned or operated by District-based entities and the strategy conforms to the mandatory CBE subcontracting requirement outlined in Section H.1.

C.14.2 Within 30 days of execution of this Contract, the Contractor, in consultation with DDOE, shall develop or maintain a trade name for the District of Columbia Sustainable Energy Utility. The trade name shall be registered as the property of the District of Columbia.

C.15 IC RFPs

The Contractor shall develop RFPs for Implementation Contracts in which it considers and accounts for programmatic needs. The Contractor shall administer Implementation Contracts with sufficient oversight to ensure that ICs meet performance and budgetary targets. The Contractor shall establish rules, in consultation with DOEE, to guide the execution of IC RFPs. Fair bid solicitation and selection processes will be of particular concern to DOEE. If an affiliate of the Contractor bids, or intends to bid, for an Implementation Contract, both the Contractor and its affiliate must ensure that the affiliate does not benefit from any unfair advantage resulting from insider information. The Contractor shall be responsible for selecting winning IC bids. The following are broad categorizations of IC RFPs, identified by DOEE, which the Contractor may use:

C.15.1 *Open IC RFPs*

Open IC RFPs require ICs to enter into contracts with the Contractor to provide services to the Contractor's participants but the contract is not exclusive, rather the number of ICs is unlimited. Open IC RFPs are most appropriate when multiple entities that provide a certain service pre-exist the establishment of the IC RFP and District residents and businesses are accustomed to choosing these service providers in a competitive environment. An example of an open IC RFP would be an RFP where solar installers are required to agree to certain business practices, in a contract with the Contractor, in order for the installers' participants to be eligible to receive an incentive from the Contractor.

C.15.2 *Semi-Exclusive IC RFPs*

Semi-Exclusive IC RFPs are appropriate when only a limited number of ICs are practical or when limiting the number of ICs will enable the provision of services at a more affordable cost. An example of a semi-exclusive IC RFP is an RFP that solicited up to five firms to provide weatherization services at a specified price. Because of the extensive certification process required for these ICs, an unlimited number of ICs for this service would be impractical.

C.15.3 ***Exclusive IC RFPs***

Exclusive IC RFPs are appropriate when only one provider of a service is required for the efficient provision of a service. An IC RFP issued for an appliance rebate processor is an example where only one IC is practical and cost-effective.

C.15.4 ***IC Selection and Contracting Procedures***

The Contractor shall be responsible for selecting winning IC bids. Contract agreements with ICs must be consistent with prudent business practices, require fair employment practices, and incorporate all required federal and District flow-down provisions from this Contract. In addition, RFPs to select ICs must provide a preference for CBEs as specified in Section H.1.

C.16 **IC and Subcontractor Performance**

C.16.1 The Contractor shall develop and implement procedures to assign, monitor, review, and approve completed work, and to ensure ICs and subcontractors are compensated in a timely manner. As stated in Section H.12, to ensure ICs and subcontractors are paid promptly, the Contractor will be required to maintain a capital reserve or line of credit in the amount that covers 100% of approved invoices for an average month of expenses paid out to ICs and subcontractors.

C.16.2 The Contractor shall develop appropriate mechanisms to accurately evaluate, monitor, and verify program performance and IC and subcontractor performance. When appropriate, the Contractor shall conduct site visits and review the files of the ICs and subcontractors as necessary to ensure contract compliance.

C.16.3 To ensure ICs and subcontractors are compensated in a timely manner, the Contractor shall complete its inspection(s) of work performed by its ICs and subcontractors within fourteen (14) calendar days of the date the ICs or subcontractors complete such work and submit proper invoices, as defined in Section G.1.3, to the Contractor.

C.16.4 The Contractor must submit to the CA copies of all executed subcontracts within seven days of execution, except for those subcontracts that have already been executed as of the date that this Contract is executed. The Contractor must submit copies of such previously executed subcontracts to the CA within fourteen days of the execution of this Contract. Subcontracts shall include the required flow-down provisions contained in this Contract; for any subcontracts that have already been executed as of the date that this Contract is executed, the Contractor shall within 30 days (a) amend such a subcontract to include any new or revised flow-down requirements, or (b) terminate the subcontract if the Contractor and subcontractor cannot agree on an amendment that would include any new or revised flow-down requirements. This requirement is separate from the requirement to submit copies of subcontracts and related documents in Section H.1.3.

C.17 Qualification and Certification of DCSEU's and IC's Workforce

Within 90 days of contract execution, the Contractor shall identify local workforce training programs that will assist ICs to qualify for Implementation Contracts and/or District residents to qualify for potential Contractor vacancies. The Contractor shall additionally develop a resource guide for potential Contractor employees and ICs that will list workforce training requirements, educational opportunities, and related information to assist potential employees and ICs in responding to the Contractor's vacancies and RFPs.

C.18 Workforce Training

C.18.1 The Contractor shall actively support District-based energy efficiency and renewable energy workforce training programs. This support shall include activities such as collaboration with training/educational institutions to identify training needs and provide input into curriculums. The Contractor shall foster strong relationships between training programs and ICs/Contractor workforce in order to improve placement and retention outcomes through sponsorship of seminars, recruitment fairs, and on-the-job training with ICs who agree to hire individuals pending successful completion of the training.

C.18.2 Activities within the training programs must:

- 1) Provide an initial assessment of skill levels, aptitudes, abilities, and supportive service needs;
- 2) Address skills and competencies demanded by the energy efficiency industry;
- 3) Result in an industry-recognized degree or certificate that indicates a level of mastery and competence in the energy-efficiency field or function;
- 4) Support participants' advancement along a defined career pathway;
- 5) Integrate occupational training with basic skills training (e.g. adult basic education and job readiness training) to ensure that participants have the foundational skills necessary to attain and retain employment;
- 6) As appropriate, integrate training activities with case management and supportive services to ensure that participants have the necessary support to overcome barriers to employment;
- 7) Promote opportunities for placement after training, and work to ensure placement of trainees where possible; and
- 8) Provide training for District residents who are at least 18 years of age and fall into one or more of the following categories:
 - Unemployed District residents;
 - High school dropouts;
 - District residents with a criminal record; and
 - Low-income individuals.

C.19 Program Marketing and Consumer Education

C.19.1 The Contractor shall develop and implement a public and consumer information strategy to: (1) promote participant involvement in and market awareness of

DCSEU services; (2) increase consumer awareness and understanding of the benefits of energy efficiency and renewable energy both for participants and non-participants; (3) increase consumer demand for the Contractor's services; and (4) affect consumer decision-making in consumer-driven energy efficiency choices.

C.19.2 When appropriate, the Contractor shall develop and implement energy education and technical training services and initiatives in cooperation with District-based educational institutions and community-based organizations. The Contractor must consider existing local resources for marketing and educational initiatives. Upon notification of DOEE, the Contractor may coordinate marketing and educational initiatives with private entities operating sustainable energy programs in adjacent or nearby jurisdictions.

C.19.3 The Contractor shall develop and maintain all website content for DCSEU activities and the Contractor's programs and initiatives under this Contract. The Contractor will coordinate with DOEE on how the DCSEU website's content interfaces with content on DOEE's website at <http://doee.dc.gov/energy>.

C.20 **Required Reports**

The Contractor shall prepare and submit Monthly, Quarterly, and Annual Reports. The contents of these reports as well as the entities that are to receive each of them are described below. The Contractor and DOEE will jointly develop standard formats for each report after execution of this Contract. The standard format for each report shall be subject to DOEE approval. The Contractor shall establish reporting procedures in Implementation Contracts so that the Contractor has the necessary data and information for the preparation of the Monthly, Quarterly, and Annual Reports.

C.20.1 ***Monthly Reports***

The Contractor shall prepare and submit Monthly Reports to DOEE. These reports shall include: program participation data and actual expenditures for administrative, IT, natural gas and electricity-related program expenditures, and service delivery costs compared to the budget amounts. Monthly Reports shall include numerical data that documents progress toward achieving the Contractor's overall benchmarks and are considered to be activity monitoring reports. Monthly reports are intended to ensure clear communication between DOEE and the Contractor. Monthly reports are due thirty (30) calendar days after the end of the month.

C.20.2 ***Quarterly Reports***

The Contractor shall prepare and submit Quarterly Reports to DOEE within 30 days after the end of each quarter. The format and content of the Quarterly Reports shall be subject to DOEE approval. On the months the quarterly reports are due, they shall replace the monthly reports. Quarterly Reports shall include: (1) actual expenditures for administrative, information technology, natural gas

and electricity-related program expenditures, and service delivery costs compared to the annual component of the approved budget; (2) a report of progress made towards achieving energy savings and participant-sited renewables benchmarks, and other agreed-upon indicators of performance; this section of the report shall include the relevant minimum and maximum targets specified in Section C.40 of this Contract for each performance benchmark; (3) a summary of activity highlights for the quarter; (4) a summary of any significant implementation issues and changes or anticipated changes in implementation strategies and services; (5) a quarterly total (retained and created) of hires (in FTEs) by the Contractor and ICs attributable to the Contractor's programs who are District residents; and (6) number of DOES referrals hired as reported on the Contractor's and IC's First Source Employment Agreement Form for the quarter.

C.20.3 *Annual Reports*

The Contractor shall prepare and submit Annual Reports to DOEE, by October 30th of each year. The format and content of the Annual Reports shall be subject to DOEE approval. Annual Reports shall include: (1) actual expenditures for administrative, information technology, natural gas and electricity-related program expenditures, and service delivery costs, compared to the annual component of the approved budget; (2) a detailed financial report for the Contractor's activities and expenditures under this Contract (including an annual budget for the year being reported); (3) a summary of progress and highlights for the year, including any significant changes in strategies or services and acquisition cost per MWh and MMBTU achieved; (4) an assessment of the Contractor's performance for the year with respect to the benchmarks, and other agreed-upon indicators of performance; this section of the report shall include the relevant minimum and maximum targets specified in Section C.40 of this Contract for each performance benchmark; (5) annual energy savings and participant-sited renewable energy estimates (expressed in energy units and dollar amounts) with supporting data; (6) total (retained and created) hires (in FTEs) by the Contractor and ICs attributable to the Contractor's programs who are District residents; and (7) number of DOES referrals hired as reported on the Contractor's and IC's First Source Employment Agreement Form for the past fiscal year.

C.21 **Reporting on Work In Progress and Completed Projects**

C.21.1 Work In Progress projects involve projects that can be divided into distinct phases or segments. For example, a lighting upgrade project for a ten-floor building may be divided into ten phases, one phase for each floor.

C.21.2 For reporting Work In Progress ("WIP") projects, the Contractor shall develop and implement specific quality management protocols, with required written documentation that provides assurance of adherence to the protocols. No project/dwelling/property may be reported to DOEE by the Contractor as complete unless the quality management protocols for the initiative have been followed and completed.

C.21.3 All project-related materials, supplies, and equipment purchased by the Contractor or its subcontractors must be installed prior to submitting an invoice to DOEE for reimbursement of costs incurred. The Contractor shall not invoice the District for projects completed or cost incurred from any previous fiscal year.

C.21.4 For a “Work In Progress” project, the Contractor may submit a “partial invoice” for the project, i.e., an invoice for the portion of the project that has been installed and has passed a full quality control inspection. The Contractor shall invoice the District for the portion of the project that is still incomplete only after a full quality control inspection has been done by the Contractor on that portion.

C.21.5 Following an inspection of any Contractor completed or WIP project by DOEE that results in a written notification of unsatisfactory work performance or measures not installed as indicated on the invoice provided by subcontractors, the Contractor shall take corrective actions within 14 calendar days after receiving a Failed Post-Installation Inspection Report from DOEE.

C.22 Asset Tracking Log

The Contractor shall provide a detailed breakdown of all logos, trademarks, databases, copyrighted material or material eligible for copyright, computer, telecom, IT, and physical equipment, computer software, surveys, survey results, and program designs purchased or developed with SETF funds or other District funds used to support this Contract. Individual items valued at least \$100 need to be tracked. This shall be referred to as an Asset Tracking Log, which, along with related expenses, shall be presented to DOEE twice annually, once by March 31 of each fiscal year, and a second time by September 30 of each fiscal year. The log shall include a description of the asset, acquisition date, tag number, serial number, warranty information, location of the item, and information related to replacement item(s) if the asset was disposed of or retired.

C.23 DC Language Access Act of 2004

Pursuant to the DC Language Access Act of 2004, the Contractor must, when applicable, collect data on the number of limited or no-English proficiency (LEP/NEP) constituents served per quarter, and languages spoken by said clients. The Contractor shall refer these constituents to DOEE for language services. (See attached contact letter in Attachment J.9).

C.24 National Historic Preservation Act

The Contractor must comply with the requirement of the National Historic Preservation Act (Section 106) by providing to DOEE a written concurrence of no objection from the State Historic Preservation Officer (SHPO) of the District of Columbia. The Contractor shall require that its subcontractors, ICs, and vendors comply with the requirements set forth in this paragraph.

C.25 Information Requests

The Contractor shall respond in a timely and complete manner to any information requests submitted by DOEE regarding program budgets, expenditures, savings, and activities.

C.26 Innovation Fund Programs

DOEE recognizes that innovative ideas are needed to drive sustainable energy in the District. In order to support the development and deployment of new and innovative energy efficiency and renewable energy initiatives, a portion of this Contract, not to exceed 5% of the annual funds from the SETF, may be allocated into one or more “innovation funds” to support pilot programs. Such programs will still be considered as part of the total portfolio of the Contractor’s programs that must meet the societal benefit test at the end of the base period of this Contract, as required by CAEA. Innovation programs shall be subject to review and approval by DOEE, which shall not be unreasonably withheld, and must have proposed metrics and methodology for how an innovation program’s success will be evaluated. Innovation programs shall be presumed approved by DOEE within 10 business days of submission, unless affirmatively disapproved by DOEE in writing. Pilot programs should not be funded by the innovation funds for more than three years. Within 90 days of contract award, the Contractor shall provide DOEE with a schedule for the design, development, and deployment of innovative programs during the base period of this Contract, which shall be subject to DOEE review.

C.27 Independent Review of Performance

The Contractor shall cooperate fully with DOEE-funded independent evaluation(s) of the Contractor’s performance, as described in Section C.32.

C.28 Identify and Leverage Additional Funding for the DCSEU

The Contractor shall identify and assess additional funding opportunities for the DCSEU. The Contractor will be expected to leverage external funds which would expand the Contractor’s budget beyond the amounts annually available from the SETF. The success of the Contractor at leveraging additional funds beyond the SETF shall be evaluated by a performance benchmark defined in Section C.40.8.5. The Contractor shall maximize and/or leverage revenue from federal grants, private grants, along with other mechanisms discussed below. Revenues to the Contractor from such funding opportunities shall not cause adjustment to the performance benchmarks and incentives identified in sections C.39 and C.40 so long as the external funds are utilized in conjunction with SETF funds to supplement the Contractor’s programs.

C.29 Property Assessed Clean Energy Program and Other Financing Mechanisms

C.29.1 The Energy Efficiency Financing Act of 2010 (DC Law 18-183, D.C. Code § 8-1778.01 *et seq.*) created a Property Assessed Clean Energy (“PACE”) program to provide funding for the initial installation of energy efficiency and renewable energy retrofits and improvements in the District. This program is currently administered by a private contractor under the “DC PACE Commercial” brand under a separate contract with DOEE. In the strategic planning analysis (see section C.11), the Contractor shall identify how it can leverage the funding from DC PACE to benefit the Contractor’s programs. In addition, the Contractor shall evaluate financing options other than the DC PACE Commercial program in the strategic planning analysis.

C.29.2 Under the direction of DOEE, the Contractor shall collaborate with the administrator of the DC PACE Commercial program to assess possible coordination of activities such as marketing, workforce development, EM&V, and participation in the PJM Capacity Market.

C.30 PJM Capacity Market

C.30.1 The Contractor is authorized to claim, in the PJM Capacity Market, any capacity resources that result from the programs and initiatives funded by this Contract on behalf of the ratepayers of the District. The Contractor shall notify in writing recipients of DCSEU services and initiatives that, unless otherwise agreed in writing, by accepting DCSEU services and/or financial incentives, they are assigning their rights to any capacity credits to the Contractor. The Contractor shall seek to maximize net revenue available from certain energy efficiency measures in its programs that are eligible for Capacity Credits under the PJM Reliability Assurance Agreement. In its strategic planning analysis, the Contractor shall identify program measures that may be bid into the RPM and estimate the potential revenue to the Contractor from bidding the capacity related to these program measures into the RPM.² The analysis shall additionally assess alternative methods that the Contractor may benefit from the PJM Capacity Market, such as requesting ICs to discount their bids in return for the Contractor granting the ICs ownership of the capacity credits attributable to the energy efficiency services the ICs are providing.

C.30.2 Under the direction of DOEE, the Contractor shall coordinate with the administrator of the DC PACE Commercial program on the bidding of eligible energy resources from the Contractor and DC PACE Commercial into the RPM. The Contractor shall also collaborate with the administrator of the DC PACE Commercial program on the potential benefits of coordinating EM&V activities as directed by DOEE.

² For more information on how energy efficiency may be bid into PJM’s RPM see <http://www.pjm.com/markets-and-operations/rmedia/markets-ops/rpm/20090406-dr-ee-in-rom-collateral.ashx> and PJM Manual 18 B at <http://www.pjm.com/documents/manuals.aspx>

C.30.3 Costs of the Contractor's participation in the PJM Capacity Market shall be considered as reimbursable costs, under Section C.35 of this Contract. The Contractor shall transfer revenues, net of applicable fees, received from participation in the PJM Capacity Market to the SETF. Any revenue, net of applicable fees, for bidding into the RPM generated by the Contractor's programs, received by the Contractor shall be reinvested into the Contractor's programs and activities under this Contract. In the event of termination or expiration of this Contract, any such net revenues held by the Contractor on the effective date of termination shall be transferred to the Fiscal Agent.

C.30.4 As part of its reporting requirements in Section C.20, the Contractor shall provide a detailed breakdown of any capacity resources bid into the RPM, and the total net revenues, after deducting applicable fees, received from PJM for those resources.

C.31 Renewable Energy Certificates and Investment Tax Credits

In the strategic planning analysis (see section C.11), the Contractor shall evaluate any potential revenues available to the Contractor from obtaining Renewable Energy Certificates ("RECs"), Solar Renewable Energy Certificates ("SRECs"), and/or Federal Investment Tax Credits ("ITCs") on behalf of District-based renewable energy generators.

C.32 Evaluation, Measurement and Verification

C.32.1 *Evaluation, Measurement and Verification of the Contractor's Activities by DOEE*

The requirement for EM&V is pursuant to the CAEA which requires DOEE to commission an annual independent review of the Contractor's performance and expenditures under this Contract, and report the results of this review to the Board and the District Council within six months of the conclusion of each year of this Contract. The Contractor shall cooperate fully with DOEE-funded independent evaluation(s) of the Contractor's performance. Contractor EM&V costs incurred shall be reimbursed pursuant to Section C.35. In general, the EM&V activities will consist of the following:

C.32.2 *Evaluation*

Evaluation describes the conduct of any of a wide range of assessment studies and other activities aimed at determining the effects of a program, understanding or documenting program performance, program or program-related markets and market operations, program-induced changes in energy efficiency markets, levels of demand or energy savings, or program cost-effectiveness. Market assessment, monitoring and evaluation ("M&E"), and measurement and verification ("M&V") are aspects of evaluation.

C.32.3 *Measurement and Verification*

M&V is a subset of program impact evaluation that is associated with the documentation of energy savings at individual sites or projects using one or more methods that can involve measurements, engineering calculations, statistical analyses, and/or computer simulation modeling.

C.32.4 *EM&V Protocols*

The Contractor, in consultation with DOEE, shall develop EM&V protocols. For the development of these protocols, the Contractor shall rely heavily on regional and national efforts to standardize EM&V protocols, methods, and assumptions. In particular, the Contractor may base EM&V protocols on the products developed by the NEEP EM&V Forum.³

C.32.5 *Contractor's Role in EM&V*

C.32.5.1 The Contractor shall include an EM&V Plan that details monitoring and data collection activities for each Contractor program. In program design, the Contractor shall identify appropriate and cost-effective measurement, monitoring, and verification activities for energy efficiency measures that are eligible to be bid into the RPM. The Contractor must also cooperate fully with DOEE-funded independent reviews of the Contractor's performance. The Contractor shall develop EM&V protocols, and these protocols shall be subject to approval by DOEE. The Contractor shall develop and continually update a TRM so that it contains current documentation on all prescriptive measures. The Contractor shall use the results of EM&V in the strategic planning analysis (see section C.11). DOEE may require the Contractor to participate in the NEEP EM&V Forum.

C.32.5.2 Within six months of contract execution, the Contractor must develop data collection protocols that facilitate the evaluation, measurement, and verification ("EM&V") of the energy saved by the Contractor's programs. Each Contractor program not funded out of the innovation fund shall include an EM&V plan that details monitoring and data collection activities sufficient to track savings. In program design, the Contractor shall identify appropriate and cost-effective evaluation, measurement, and verification activities for energy efficiency measures that are eligible to be bid into the RPM.⁴ The Contractor's pilot programs funded by the innovation funds need not undergo full EM&V, but shall have a plan for monitoring, data collection, and evaluation to determine if the program savings can be verified and whether the program should be transitioned out of the pilot programs and be fully funded.

C.32.5.3 The Contractor shall develop and continually update a Technical Reference

³ See <http://www.neep.org/initiatives/emv-forum>

⁴ The PJM's Energy Efficiency Measurement & Verification Manual and market rules applicable to bidding energy efficiency resources in the RPM can be found in PJM Manual 18 B. See <http://www.pjm.com/documents/manuals.aspx>

Manual (“TRM”) so that it contains current documentation on prescriptive measure. The Contractor shall use the Mid-Atlantic TRM, developed by the Northeast Energy Efficiency Partnerships’ (“NEEP”) EM&V Forum,⁵ and the current DCSEU TRM, as the basis for the Contractor’s TRM. The Contractor shall coordinate the development of its TRM with the standards adopted by the PACE program described in Section C.29. When available, and in consultation with DOEE, the Contractor may use other relevant resources and regional databases to develop and update its TRM.

C.33 Financial Audit

The CAEA also allows up to \$100,000 of SETF funds to be used for the independent review. DOEE considers this independent review to be an audit of the Contractor’s annual expenditures and not part of EM&V.

C.34 Performance Contract and Compensation

This section describes the minimum performance requirements, performance benchmarks, at risk compensation/incentives that apply to this Contract, and the period of performance under the term of this Contract.

C.35 Contractor Compensation and Limitation on Recovery of Costs

C.35.1 Contractor Compensation – Costs and Fixed Fee

C.35.1.1 Subject to the requirements of Section B.8.2, the Contractor shall be compensated for reasonable and appropriate services provided and expenses incurred in order to perform the Statement of Work. The compensation of the Contractor shall be based on the actual costs incurred by the Contractor (to include equipment) plus a fee. The fee shall be made up of two parts: 1) a Fixed Fee portion as a percentage of costs incurred, specified in Section B.8.1.1 above; and 2) an at-risk performance incentive portion which is subject to the conditions stated in Sections C.39 and C.40 of this Contract.

C.35.1.2 Only costs determined in writing to be reimbursable by the Contracting Officer in accordance with Section B.8.3.10 shall be reimbursable. The Contractor’s actual costs incurred to perform the Statement of Work shall be reasonable and appropriate.

C.35.1.3 Within 30 days of contract execution, the Contract Administrator and the Contractor shall come to agreement on the following items:

- 1) The types of costs that constitute the Contractor’s fringe-benefit and invoice-related expenses and the Contractor’s organization-wide indirect costs; and
- 2) The method for allocating an equitable share of the Contractor’s organization-wide indirect costs to the Statement of Work.

⁵ See <http://www.neep.org/initiatives/emv-forum>

C.35.1.4 The agreed upon method for allocating an equitable share of the Contractor's organization-wide indirect costs, and the types of costs that constitute the Contractor's fringe-benefit and invoice-related expenses shall be incorporated into this Contract. Any changes to the above two items must be mutually agreed upon in writing and shall be incorporated into this Contract by modification.

C.36 Limitation on Recovery of General and Administrative Costs

C.36.1 General and Administrative Costs shall include, but not be limited to, the following: overhead (such as rent, equipment, software and utilities); indirect costs, budgeting and financial management; contract management; and data collection and reporting. General and Administrative costs associated with serving an individual market segment or program shall be included in the budget allocation for that market segment or program and are not considered General Administrative Costs for the purposes of this paragraph. For the period starting with contract execution and ending September 30, 2021, compensation for the Contractor's General and Administrative Costs and the non-at-risk Fixed Fee, shall not exceed 20% annually of the Cost Reimbursement Ceiling, as defined in Section B.8.1.1. General and Administrative Costs and the non-at-risk Fixed Fee (defined in Section B.8.1.1), in excess of 20% of the Cost Reimbursement Ceiling, shall not be invoiced or payable for any given year of this Contract unless the Contractor is granted prior written approval from DOEE to exceed this limit.

C.36.2 For example, if the Cost Reimbursement Ceiling, as defined in Section B.8.1.1, for a given fiscal year is \$19.179 million, the General and Administrative Costs and the Fixed Fee for that fiscal year shall not exceed \$3.835 million, if the Contractor incurred reimbursable costs, including the General and Administrative Costs plus Fixed Fee, totaling \$19.179 million in that fiscal year.

C.36.3 For the period starting with contract execution and ending September 30, 2021, compensation for the Contractor's General and Administrative Costs shall not exceed 20% of the sum of the annual Cost Reimbursement Ceilings, as defined in Section B.8.1.1, for the FY2017 – FY2021 base period.

C.37 Recovery of Information Technology Costs

The Contractor shall provide a breakdown of the costs associated with the delivery of the information technology services and equipment set forth in the Statement of Work, which shall be subject to DOEE review and approval; DOEE approval shall not be unreasonably withheld.

C.38 District Office Required

The Contractor shall maintain a physical office within the District that is staffed by personnel who are responsible for the day to day management of the Contractor's performance and activities under this Contract. The Contractor

shall promptly notify DOEE of any replacement of personnel responsible for day to day management for this Contract.

C.39 Performance Incentives

An at-risk incentive portion equal to 5.26 percent (5.26% or \$5 million) of the total contract value over the FY2017 – FY2021 base period of this Contract will be paid in part or in full, if earned according to the conditions and criteria stated in Section C.40.

C.39.1 Performance Benchmark Goals

C.39.1.1 The CAEA requires that the Contractor achieve minimum performance benchmarks consistent with the purposes of the act, including:

- 1) Reduce energy consumption in the District of Columbia;
- 2) Increase renewable energy generating capacity in the District of Columbia;
- 3) Improve the energy efficiency or increase the renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District of Columbia; and
- 4) Increase the number of green-collar jobs in the District of Columbia.

C.39.1.2 These requirements establish the basis for the performance benchmarks defined in Section C.40 below. (See CAEA § 201(d)(1), D.C. Official Code § 8-1774.01(d)(1)).

C.39.1.3 In implementing the energy consumption benchmark of the CAEA, DOEE has established separate performance benchmarks for reductions in electricity consumption and natural gas consumption. In addition, this Contract also has a benchmark for leveraging external funds. Therefore, Section C.40 below has six performance benchmarks, one for each of the following: Electricity, Natural gas, Renewable generation, Low-income programs, Green jobs, and Leveraged funds.

C.39.1.4 For the FY2017 – FY2021 base period of this Contract, the Contractor is eligible to receive a maximum amount of \$5 million (or 5.26% of the \$95 million contract value) in performance incentives. The \$5 million total amount is allocated among the six benchmarks as follows:

Table C.1: Five-Year Cumulative Incentive Allocation

Performance Benchmark	Percent of Total Incentive Amount	Year 5 Cumulative Incentive Amount
Reduce Electricity Consumption	35%	\$ 1,750,000
Reduce Natural Gas Consumption	25%	\$ 1,250,000
Increase Renewable Energy Generating Capacity	15%	\$ 750,000
Increase the number of Green-Collar Jobs	10%	\$ 500,000
Improve the Energy Efficiency and Renewable Energy Generating Capacity of Low-Income Housing, shelters, clinics, or other buildings serving low-income residents	10%	\$ 500,000
Leverage External Funds to support energy efficiency and renewable energy projects	5%	\$ 250,000

C.39.1.5 In addition, the Contractor shall track and report to DOEE at least semiannually during the term of this Contract the impact of its programs on:

- 1) Reducing the growth of peak electricity demand in the District of Columbia; and
- 2) Reducing the growth of the energy demand of the District of Columbia's largest energy users. (See CAEA § 201(d)(2), D.C. Official Code § 8-1774.01(d)(2)).

C.39.1.6 An additional contract requirement is that the portfolio of the Contractor's energy efficiency programs must as a whole pass the societal benefit test for the term of the base period of this Contract. To meet this requirement, the Contractor must design the portfolio of energy efficiency programs such that they pass the societal benefit test. See section C.40.9 for the definition and methodology for the societal benefit test to be used in the evaluation of the Contractor's programs.

C.40 Performance Benchmarks and Incentives

C.40.1 Performance benchmarks are designed to provide assurance to the public, the SEUAB, and DOEE that the Contractor is making progress towards meeting the goals detailed in sections C.40.8.1 through C.40.8.5. Each benchmark and the associated compensation scheme are detailed in sections C.40.8.1 to C.40.8.5. The benchmarks may be changed at any time with the approval of both the Contractor and DOEE by written modification to this Contract. (CAEA § 202(f), D.C. Official Code § 8-1774.02(f)).

C.40.2 DOEE shall assess the penalties described below in this section C.40 for failure of Contractor to achieve the performance benchmarks prescribed below in this

section C.40. Some penalties will be assessed annually and some only after the completion of the base period. The liability of the Contractor for the assessment of penalties for failure of the Contractor to achieve the FY2017 low income and green jobs performance benchmarks shall be based upon all results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with all FY2017 results achieved under this Contract. The liability of the Contractor for the assessment of penalties for failure of the Contractor to achieve the electricity savings, natural gas savings, renewable energy generating capacity, and leveraging funds benchmarks shall be based upon all results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with the FY2017 – FY2021 results achieved under this Contract. Further, in each fiscal year, penalty amounts under each benchmark will be set off against incentives earned and payable under all benchmarks for that year. DOEE-assessed penalty amounts will not be set off against payments earned for cost-reimbursable contract work.

C.40.3 The metrics for the performance benchmarks and incentive structure are provided below for the FY2017 – FY2021 base period. After each year of performance in the base period, within six months DOEE will determine the eligibility of the Contractor to earn a performance incentive; DOEE will complete an independent evaluation of the Contractor's programs annually, and based on the evaluation, will determine the Contractor's eligibility for payment of a performance incentive. The eligibility of the Contractor for performance incentives for FY2017 shall be based upon all results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with FY2017 results under this Contract. The metrics for the performance benchmarks for the five-year option year period shall be identical to those for the base period, and may be subject to change with the approval of both the Contractor and DOEE by written modification to this Contract.

C.40.4 The period of performance shall comprise five fiscal-year phases for the FY2017 – FY2021 base period of this Contract. For the green jobs benchmark, the Contractor will be evaluated annually. The incentive amount for the green jobs benchmark is capped at an annual amount of \$100,000 or a total of \$500,000 over the FY2017 – FY2021 base period. For the low-income benchmark, the Contractor will also be evaluated on an annual basis for the percentage of SETF dollars spent on low-income programs and the acquisition cost of those programs. The incentive amount for the low-income benchmark is capped at an annual amount of \$100,000 or a total of \$500,000 over the FY2017 – FY2021 base period. The Contractor's performance for the green jobs and low income benchmarks for FY2017 shall be based on the results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with FY2017 results under this Contract.

C.40.5 For the electricity savings, natural gas savings, and renewable energy generating capacity benchmarks, the Contractor's performance shall be independently evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the base period. For these three benchmarks, the Contractor's

performance for FY2017 shall include the results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001. Therefore, in the final evaluation after Year 5, the results attained against performance benchmarks under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with the Contractor's cumulative performance over the entire base period of this Contract will be independently evaluated. In the tables below, the cumulative achievement numbers are the actual benchmarks for each year, and will result in an incentive payment if the Contractor meets or exceeds one or more of the minimum targets in a given fiscal year, and also meets any other requirement(s) stated below to establish its eligibility for an incentive payment. For example, for the electricity and natural gas benchmarks, the Contractor must achieve the minimum target for *both* electricity and natural gas to be eligible for an incentive payment. For the leveraging funds benchmark, the Contractor's performance shall be evaluated only once, at the end of the base period; the Contractor's performance shall be based on the results attained, with respect to leveraging funds, under Option Year 6 of Contract No. DDOE-2010-SEU-001 combined with its cumulative performance for the leveraging funds benchmark over the entire base period of this Contract.

- C.40.6** The total incentive for each multi-year benchmark for which the Contractor is eligible is capped by the incentive amount available for that benchmark in Year 5 of the base period. Specifically, for the electricity benchmark, the maximum incentive is \$1.75 million; for the gas benchmark, the maximum incentive is \$1.25 million; and for the renewable energy capacity benchmark, the maximum incentive is \$750,000. Therefore, the final incentive amount paid to the Contractor for each of these three benchmarks will be the incentive amount they are eligible for after Year 5 minus any incentive funds previously paid out for that benchmark during the five year period.
- C.40.7** In this multiyear, performance-based contract, in a particular year of this Contract, the Contractor shall be eligible for performance incentives only up to the amount set aside for that year. Therefore, if this multiyear contract is terminated early, i.e. before the end of the FY2017 – FY2021 base period, the Contractor shall be eligible for an incentive payout not to exceed the total incentive amount for the year the contract is terminated, even if the Contractor achieves performance targets that would have made it eligible for greater incentives in a later year of this Contract.
- C.40.8** Each of the six performance benchmarks is described in detail below followed by descriptions of this Contract's methods of implementing the incentive and penalty compensation structures for each benchmark, as applicable.

C.40.8.1 Reduce Electricity and Natural Gas Consumption in the District of Columbia

C.40.8.1.1 *Enumerated Benchmark*

C.40.8.1.1.1 The Contractor shall develop and implement energy efficiency programs for electricity and natural gas users that directly lead to annual reductions of weather-normalized total electricity and natural gas consumption, measured in MWh or therms, and also as a percentage of the consumption of electricity and natural gas in the District in 2014. The numeric energy reduction targets for electricity and natural gas are specified in tables C.2 and C.3 below, expressed as a percentage of the baseline year of 2014, *i.e.*, the weather-normalized electricity and natural gas consumption in the District for 2014. The numeric targets for Years 2 through 5 in the tables below represent cumulative targets for each benchmark. As this is a multiyear contract, performance incentives are available on a cumulative basis, each year of the FY2017 – FY2021 base period of this Contract, based on the Contractor’s performance. However, as stated above, the total incentive amount the Contractor is eligible for over the FY2017 – FY2021 base period is capped at \$1.75 million for electricity and \$1.25 million for natural gas. Energy savings are measured in both megawatt-hours (MWh) for electricity and therms for Natural Gas, but also as a percentage of the 2014 District of Columbia energy consumption, normalized for weather.

C.40.8.1.1.2 If the Contractor implements energy efficiency programs that cause participants to switch how equipment or an application is powered (*i.e.*, from electricity to natural gas or from natural gas to electricity), any increase in kilowatt-hours (kWh) or therms as a result of the switch will be counted as ‘negative savings’ towards the relevant benchmark. For example, if an energy efficiency program causes a consumer to replace an electric heat pump with a natural gas furnace, then the increase in the consumption of therms as a result of the switch to using natural gas for space heating would be counted as ‘negative savings’ toward the therms savings benchmark while the reduction in kWh from no longer using electricity for space heating would be counted as ‘positive savings’ toward the kWh savings benchmark. Similarly, if an energy efficiency program causes a consumer to replace a natural gas furnace with an electric heat pump, then the increase in the consumption of kWh as a result of the switch to using electricity for space heating would be counted as ‘negative savings’ toward the kWh savings benchmark, while the reduction in therms from no longer using natural gas for space heating would be counted as ‘positive savings’ toward the therms savings benchmark.

C.40.8.1.1.3 For any Contractor energy efficiency programs that cause participants to switch how equipment or an application is powered (*i.e.*, from electricity to natural gas or from natural gas to electricity), kWh and therms savings shall be converted to BTUs, in accordance with the total fuel cycle methodology used by the U.S. Environmental Protection Agency and U.S. Energy Information Agency data for the District of Columbia, for the purpose of calculating the Societal Benefit Test (See Section C.40.9).

C.40.8.1.1.4 The Contractor shall use modified gross verified natural gas savings as the claimed savings towards the annual reduction in weather-normalized total natural gas consumption in the District for 2014. Gross savings are defined as savings that consider all interactive effects while excluding considerations for freeridership, spillover and line loss factors. Modified gross savings are defined as gross savings that do not consider cross-fuel interactive effects, but that do consider like-fuel interactive effects. Energy and demand savings measure the amount of energy and demand saved as a result of the Contractor's programs without the inclusion of cross-fuel interactive effects whether they are gas or electric.

Table C.2: Performance Benchmark for Reductions in Electricity Consumption

	YEAR 1: Benchmark	YEAR 2: Cumulative Benchmark	YEAR 3: Cumulative Benchmark	YEAR 4: Cumulative Benchmark	YEAR 5: Cumulative Benchmark
<i>Minimum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.53%	1.06%	2%	3%	4%
Minimum Goal (MWh)	60,878	121,756	230,594	345,891	461,188
<i>Maximum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.75%	1.5%	2.5%	3.5%	5%
Max Goal (MWh)	86,473	172,945	288,242	403,539	576,485

Table C.3: Benchmark for Reductions in Natural Gas Consumption

	YEAR 1: Benchmark	YEAR 2: Cumulative Benchmark	YEAR 3: Cumulative Benchmark	YEAR 4: Cumulative Benchmark	YEAR 5: Cumulative Benchmark
<i>Minimum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.25%	0.66%	1.2%	1.7%	2.5%
Minimum Goal (therms)	852,565	2,250,770	4,092,310	5,797,438	8,525,645
<i>Maximum Goal as percentage of 2014 weather-normalized consumption in the District</i>	0.5%	1%	1.5%	2%	3%
Maximum Goal (therms)	1,705,129	3,410,258	5,115,387	6,820,516	10,230,774

C.40.8.1.2 ***Performance Incentive Compensation Structure – Electricity and Natural Gas***

C.40.8.1.2.1 As shown in Tables C.2 and C.3, both benchmarks have minimum and maximum levels of achievement. There are separate incentives for achievement of the electricity and natural gas consumption reduction benchmarks, so as to incentivize the Contractor to achieve the maximum possible savings for each energy source. During the FY2017 – FY2021 base period of this Contract, the Contractor will be evaluated after each fiscal year of performance. In order to be eligible for the performance incentives for electricity and natural gas, the Contractor is required to meet the minimum performance targets for reductions in both electricity and natural gas consumption.

C.40.8.1.2.2 The performance incentives for achieving both the electricity and natural gas energy savings benchmarks are detailed in Tables C.4 and C.5. The Contractor shall be eligible to receive the performance incentives equal to the amount specified in Tables C.4 and C.5, minus any incentive(s) received in prior contract years, for that year and fuel source if the Contractor achieves the minimum performance targets for both the electricity and natural gas benchmarks in a given year. If the Contractor achieves evaluated energy reduction savings above the minimum level for each benchmark, the Contractor shall receive pro-rated compensation per MWh or therm up to the maximum amount of compensation available for each benchmark in a given year. If in Year 2, the Contractor achieves the minimum performance targets for both benchmarks, the Contractor will receive the incentive amounts for Year 2 *minus* any incentive amounts received in Year 1. Earned incentives for succeeding contract years will be determined in similar fashion.

C.40.8.1.2.3 The final amount of incentive the Contractor will receive for reductions in electricity and natural gas consumption will be determined by an independent evaluation and verification of Contractor's reported energy savings conducted within six months after Year 5 of the FY2017 – FY2021 base period. The total performance incentive after Year 5 of the FY2017 – FY2021 base period is fixed, so the Contractor shall be paid the compensation the Contractor is eligible for at the end of the five-year term *minus* any compensation already received in Years 1 through 4.

Table C.4: Incentives for Reductions in Electricity Consumption

	YEAR 1 Incentive	YEAR 2 Cumulative Incentive	YEAR 3 Cumulative Incentive	YEAR 4 Cumulative Incentive	YEAR 5 Cumulative Incentive *
Minimum Goal (MWh)	60,878	121,756	230,594	345,891	461,188
Minimum Goal Incentive**	\$185,000	\$371,000	\$700,000	\$1,050,000	\$1,400,000
Maximum Goal (MWh)	86,473	172,945	288,242	403,539	576,485
Maximum Goal Incentive**	\$262,500	\$525,000	\$875,000	\$1,225,000	\$1,750,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor earlier in Years 1 through 4.

** Each of the minimum and maximum amounts for incentives is cumulative, and the numbers should not be added.

Table C.5: Incentives for Reductions in Natural Gas Consumption

	YEAR 1 Incentive	YEAR 2 Cumulative Incentive	YEAR 3 Cumulative Incentive	YEAR 4 Cumulative Incentive	YEAR 5 Cumulative Incentive*
Minimum Goal (therms)	852,565	2,250,770	4,092,310	5,797,438	8,525,645
Minimum Goal Incentive**	\$104,167	\$275,000	\$500,000	\$708,333	\$1,041,667
Maximum Goal (therms)	1,705,129	3,410,258	5,115,387	6,820,516	10,230,774
Maximum Goal Incentive**	\$208,333	\$416,667	\$625,000	\$833,333	\$1,250,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor in Years 1 through 4.

** Each of the minimum and maximum amounts for incentives is cumulative, and the numbers should not be added.

C.40.8.1.2.4

The following example is based on Tables C.4 and C.5, and may be used to demonstrate the procedure and framework for determining incentive payments for meeting or exceeding the minimum performance targets for reductions in electricity and natural gas consumption. For example, if in Year 1 the Contractor achieves a reduction of 55,000 MWh in total electricity consumption and a reduction of 800,000 therms in natural gas consumption, the Contractor will not receive an incentive payment because the minimum electricity and gas performance targets were not met. If by the end of Year 2 the Contractor achieves a reduction of 121,756 MWh in total electricity consumption and a reduction of 2,250,770 therms in natural gas consumption, the Contractor will receive an

incentive payment of \$646,000 for achieving the minimum targets for reductions in both electricity and natural gas.

- C.40.8.1.2.5** If by the end of Year 3 the Contractor achieves a reduction of 230,594 MWh in total electricity consumption and a reduction of 4,092,310 therms in natural gas consumption, the Contractor will receive an incentive payment of \$554,000 (i.e., \$1,200,000 *less* \$646,000) for achieving the minimum targets for reductions in both electricity and natural gas. However, if the Contractor fails to achieve the minimum performance targets in Years 1 through 4, but eventually achieves the maximum Year 5 performance targets for reductions in both electricity and natural gas consumption by the end of Year 5, the Contractor will receive an incentive payment in the amount of \$3,000,000.

C.40.8.1.3 *Penalty Structure*

- C.40.8.1.3.1** Pursuant to the CAEA § 202(c) (D.C. Official Code §8-1774.02(c)), after the end of Year 5, DOEE shall assess penalties for failure to achieve the minimum performance targets for *both* electricity and natural gas benchmarks specified in Tables C.2 and C.3. The penalties shall be assessed on a pro-rated per MWh and per therm basis depending on the Contractor's cumulative achievement in Years 1 through 5, as determined by an independent evaluation and verification of the Contractor's reported energy savings. The total penalty for failure to achieve the required reductions in electricity consumption is capped at \$1,750,000; and the total penalty for failure to achieve the required reductions in natural gas consumption is capped at \$1,250,000.

- C.40.8.1.3.2** For example, if at the end of Year 5 the Contractor achieves zero (0) MWh reduction in total electricity consumption and zero (0) therm reduction in natural gas consumption, the Contractor will be assessed the maximum total penalty of \$3,000,000 (\$1,750,000 for achieving 0 MWh reduction in total electricity consumption plus \$1,250,000 for achieving 0 therm reduction in natural gas consumption). However, if at the end of Year 5 the Contractor achieves 212,000 MWh reduction in total electricity consumption, and 3,500,000 therms reduction in natural gas consumption, the Contractor will be assessed a total penalty of approximately \$1,682,397 (\$945,557 for failure to achieve Year 5 minimum performance target for electricity, and \$736,842 for failure to achieve Year 5 minimum performance target for natural gas).

- C.40.8.1.3.3** The total penalty in the above example was calculated using the following methodology:

Step 1: Determine the per MWh or per therm penalty by dividing the total incentive of \$1,750,000 for the electricity benchmark by 461,187 MWh; and the total incentive of \$1,250,000 for the natural gas benchmark by 8,525,644 therms. Hence, the per MWh penalty is \$3.79455622, and the per therm penalty is \$0.14661649.

- Step 2: Subtract the Contractor's level of achievement from the minimum amount of MWh (461,187) and therms (8,525,644) needed to avoid a penalty at the end of Year 5.
- Step 3: Multiply the respective electricity and natural gas results determined in Step 2 by \$3.79455622 (for electricity) and \$0.14661649 (for natural gas) to derive the total penalty for failure to achieve both the minimum electricity and natural gas performance targets specified for Year 5.

C.40.8.2 Increase Renewable Energy Generating Capacity in the District

C.40.8.2.1 *Enumerated Benchmark*

The Contractor shall design and implement renewable energy programs to increase the renewable energy generating capacity within the borders of the District of Columbia. The Contractor may use both electric (e.g. photovoltaic) and thermal (e.g. solar thermal) systems. Capacity shall be measured in kW or kW-equivalent (kWe). Capacity of electricity-generating systems shall be measured in terms of Alternating Current (AC) capacity, adjusted for the influence of azimuth and tilt using the National Renewable Energy Laboratory's PV Watts performance calculator. The Contractor shall track and release to DOEE the data on every system installed, including system size, capacity adjustments and conversions, and incentives paid.

Table C.6: Benchmark and Incentives for Increasing Renewable Energy Generating Capacity

Target Level	Year 1: Benchmark & Incentive	Year 2: Cumulative Benchmark & Incentive	Year 3: Cumulative Benchmark & Incentive	Year 4: Cumulative Benchmark & Incentive	Year 5: Cumulative Benchmark & Incentive *
Minimum Goal (kW/kWe)	650	1,380	2,300	3,400	4,350
Minimum Goal Incentive (\$) **	\$97,500	\$207,000	\$345,000	\$510,000	\$652,500
Maximum Goal (kW/kWe)	1,000	2,000	3,000	4,000	5,000
Maximum Goal Incentive (\$) **	\$150,000	\$300,000	\$450,000	\$600,000	\$750,000

* Year 5 compensation is the total incentive amount, minus any compensation paid to the Contractor in Years 1 through 4.

** Each of the Minimum and Maximum numbers for incentives in Table C.6 is cumulative, and the numbers should not be added.

C.40.8.2.2 *Performance Incentive Compensation Structure – Renewable Energy*

C.40.8.2.2.1 Table C.6 above shows the minimum and maximum amount of performance incentives available each fiscal year for increasing renewable energy generation capacity in the District. During the FY2017 – FY2021 base period of this Contract, the Contractor's progress against each annual performance target will

be evaluated after each fiscal year of performance. In order to be eligible for a performance incentive in a given year, the Contractor is required to meet or exceed the minimum performance target for that year.

C.40.8.2.2.2 If the Contractor designs and implements renewable energy programs that increase renewable energy generating capacity above the minimum level in a given year, the Contractor will receive the minimum incentive amount *plus* a pro-rated compensation per kW or kWe up to the maximum amount of compensation available in that year, *minus* any performance incentive paid to the Contractor in prior years. The total performance incentive after Year 5 is capped at \$750,000, so the Contractor will be paid the maximum compensation available for Year 5 *minus* any compensation already received in Years 1 through 4.

C.40.8.2.3 *Penalty Structure*

C.40.8.2.3.1 After Year 5 of the FY2017 – FY2021 base period, the Contractor shall be assessed a penalty for failure to achieve the minimum Year 5 performance target for increasing renewable energy generation capacity in the District. The penalty shall be assessed on a pro-rated per kW or kWe basis depending on the Contractor's cumulative achievement in Years 1 through 5, as determined by an independent evaluation and verification of Contractor's renewable energy programs after Year 5. For example, if at the end of Year 5 the Contractor designs and implements renewable energy programs that increase renewable energy generating capacity by 3,300 kW, the Contractor will be assessed a total penalty of \$180,903. The penalty for failure to achieve the required minimum increase in renewable energy generation capacity is capped at \$750,000.

C.40.8.2.3.2 The total penalty in the above example was calculated based on the following methodology:

- Step 1: Determine the per kW or per kWe penalty by dividing the total incentive \$750,000 for the renewable energy benchmark by 4,349 kW. Hence, the per kW or per kWe penalty is \$172.453438.
- Step 2: Subtract the Contractor's level of achievement from the minimum amount of kW or kWe (4,349) needed to avoid a penalty at the end of Year 5.
- Step 3: Multiply the result of Step 2 by \$172.453438 to derive the total penalty for failure to increase renewable energy generation capacity in the District by the minimum amount specified for Year 5 in Table C.6.

C.40.8.3 Benchmark for Improving the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District

C.40.8.3.1 *Enumerated Benchmark*

C.40.8.3.1.1 On an annual basis, the Contractor must achieve the following two requirements to be eligible for an incentive under the low-income benchmark. First, the Contractor must spend a minimum of 20% of the SETF funds allocated to this Contract on expenditures that increase the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District. For example, if the Contractor's annual expenditures from the SETF for a given fiscal year are \$19.179 million, the Contractor must spend a minimum of \$3.835 million in that fiscal year on low-income programs. Second, 10% of the total reduction in electricity and natural gas consumption achieved by the Contractor each year must be attributable to low-income programs implemented by the Contractor. The annual target values of (MWh) for electricity and (therms) for natural gas shall be converted into MMBtu, and added together to derive the target value in MMBtu.

C.40.8.3.1.2 In calculating the percentage of annual expenditures (i.e. 20%), programmatic, administrative, evaluation, and other expenses of the Contractor for all of its programs shall be included in the denominator (the Contractor's total expenditures) but not the numerator (the amount spent on low-income programs).

C.40.8.3.1.3 There are separate performance targets for this benchmark, both of which must be met to earn an incentive, to incentivize the Contractor to expend funds to meet the annual expenditure target, and also achieve the maximum possible energy savings from the low-income programs implemented by the Contractor.

C.40.8.3.2 *Performance Incentive Compensation Structure – Low-Income*

C.40.8.3.2.1 The performance incentive for this benchmark is a sliding scale where the higher the percent of expenditures and the higher the amount of total energy savings achieved through low-income programs, the higher the performance incentive. The Contractor's achievement against this benchmark will be evaluated on an annual basis, based on the amount spent by the Contractor on low-income programs and the amount of total energy savings achieved through the low-income programs implemented by the Contractor. The Contractor shall receive 50% of the annual incentive for this benchmark if the Contractor achieves an annual expenditure level for programs targeted towards low-income residents in the District, that is equivalent to 20% of the Contractor's annual expenditures from the SETF, and at least 5% of the annual verified energy savings is attributable to low-income programs implemented by the Contractor. As stated in Section C.40.3, when determining whether the Contractor is eligible for an incentive under this benchmark in FY 2017:

- 1) The SETF funds allocated to Option Year 6 of Contract No. DDOE-2010-SEU-001 and the SETF expenditures made by the Contractor on low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the calculation of the Contractor's percentage spend on low income programs in FY 2017; and
- 2) The savings achieved by the Contractor for its low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the total savings achieved by the Contractor for this benchmark in FY 2017.

C.40.8.3.2.2 For every 1% in annual verified energy savings attributable to low-income programs above the 5% level, the Contractor will receive pro-rated compensation up to the maximum amount of incentive available in a given year. For example, if the Contractor spends 20% of its annual expenditures from the SETF on low-income programs, and 6% of the annual verified energy savings were derived through low-income programs implemented by the Contractor, the Contractor will receive a total incentive of \$60,000 (\$50,000 for achieving the required level of expenditures on low-income programs and \$10,000 for achieving 6% ("1%" greater than 5%) annual verified energy savings from low-income programs). The total performance incentive available each year for this benchmark is capped at \$100,000.

C.40.8.3.3 ***Penalty Structure***

The penalty for this benchmark is on a sliding scale where the lower percent of expenditures and the lower the amount of total energy savings achieved through low-income programs, the higher the penalty. For each year of this Contract, a penalty of 50% of the annual performance incentive for this benchmark (or \$50,000) shall be assessed if the Contractor spends less than 20% of the Contractor's total annual expenditures from the SETF on low-income programs for that year, and achieves less than 5% of the annual verified energy savings through low-income programs implemented by the Contractor. A penalty of 75% of the incentive for this benchmark (or \$75,000) shall be assessed if the Contractor's annual expenditures on low-income programs is less than 15% of the Contractor's total annual expenditures from the SETF for that year, and the Contractor fails to achieve at least 4% of the annual verified energy savings through low-income programs implemented by the Contractor. A penalty of 100% of the annual performance incentive for this benchmark (or \$100,000) shall be assessed if the Contractor's annual expenditures on low-income programs is less than 10% of the Contractor's total annual expenditures from the SETF for that year, and the Contractor fails to achieve at least 3% of the annual verified energy savings through low-income programs implemented by the Contractor. As stated in Section C.40.2, when determining whether the Contractor is liable for a penalty under this benchmark in FY 2017:

- 1) The SETF funds allocated to Option Year 6 of Contract No. DDOE-2010-SEU-001 and SETF expenditures made by the Contractor on low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the

calculation of the Contractor's percentage spend on low income programs in FY 2017; and

- 2) The savings achieved by the Contractor for its low income programs under Contract No. DDOE-2010-SEU-001 shall be included in the total savings achieved by the Contractor for this benchmark in FY 2017.

C.40.8.4 Benchmark for Increasing the Number of Green-Collar Jobs in the District

C.40.8.4.1 *Enumerated Benchmark*

The Contractor shall ensure that at least 88 full-time equivalent (FTE) green jobs are created each year of this Contract.

C.40.8.4.2 *Definition of Green Job*

C.40.8.4.2.1 The following criteria will be used in the calculations of what constitutes a green job for the purposes of this benchmark:

- 1) A green job or green-collar job is 1 FTE job held by a District resident who is paid at least a living wage or a factor of \$200,000 of the Contractor's direct cash incentives to end-use customers and/or manufactures to buy down the cost of energy efficiency measures. No distinction is required for new versus retained jobs;
- 2) 1 FTE = 1,950 work- hours and is applied to hours reported by the Contractor and its subcontractors. The Contractor shall report hours worked by submitting certified payrolls to DOEE; and
- 3) Only direct jobs are to be used in the green jobs calculation. Indirect (primarily suppliers to Contractor's subcontractors or its second tier subcontractors) and induced jobs (derived from a multiplier effect) shall not be counted.

C.40.8.4.3 *Green Job Tracking System*

C.40.8.4.3.1 An automated Green Job Tracking System, already implemented by the Contractor under Contract No. DDOE-2010-SEU-001, shall be used to capture FTE green job-hours worked by the Contractor and its subcontractors. The Contractor shall provide DOEE information on any proposed changes to the tracking system prior to implementation of any changes .

C.40.8.4.3.2 In addition to tracking FTE green jobs obtained by District residents as a result of DCSEU programs, the following supplemental information shall also be tracked by the Contractor and reported to DOEE:

- 1) Total number of FTE green jobs resulting from the Contractor's expenditures, whether District residents are placed into those FTE green jobs or not;
- 2) The total number of FTE green jobs occupied by District residents earning a living wage;

- 3) Number of District residents placed into job training slots as a direct result of Contractor expenditures or other action by the Contractor;
- 4) Brief description of jobs that District residents were placed into resulting from training programs;
- 5) Categorization of the types of jobs occupied by District residents;
- 6) Identification of the Ward that corresponds to the home address of District residents that occupy FTE green jobs; and
- 7) Total dollar amount of Contractor cash incentives to end-use customers and manufactures to buy down the cost of energy efficiency measures.

C.40.8.4.3.3 The Contractor must be in compliance with the reporting requirements of section C.40.8.4.3.2 to be eligible to receive a performance incentive for this benchmark.

C.40.8.4.4 *Performance Incentive Compensation Structure – Green Jobs*

C.40.8.4.4.1 The performance incentive for this benchmark will be determined on an annual basis based on the number of FTE green jobs created for District residents as a result of the Contractor's expenditures and activities. The performance incentive is on a sliding scale where the higher the percent of District residents hired as a result of the Contractor's expenditures, the higher the performance incentive. The Contractor shall receive 50% (or \$50,000) of the incentive available each fiscal year for achieving 75% (or 66 FTEs) of the number of green jobs specified in section C.40.8.4.1.

C.40.8.4.4.2 The Contractor shall receive pro-rated compensation per green job up to the maximum incentive available for this benchmark, for creating more than 75% percent of the required number of green jobs for a given year of the FY2017 – FY2021 base period.

C.40.8.4.4.3 For example, the Contractor shall receive a total compensation of \$81,822 for creating 80 green jobs for District residents in a given year (\$50,000 for first 66, plus an additional \$2,273 for every one (1) additional job). The total performance incentive available each year is capped at \$100,000.

C.40.8.4.5 *Penalty Structure*

The penalty for this benchmark is a sliding scale where the lower the percent of District residents hired as a result of the Contractor's expenditures, the higher the penalty. For each year of this Contract, a penalty of 50% (or \$50,000) of the annual performance incentive for this benchmark shall be assessed on the Contractor if the Contractor fails to create at least 75% of the annual performance target specified in section C.40.8.4.1 for increasing the number of FTE green jobs created for District residents. A penalty of 75% (or \$75,000) of the performance incentive for this benchmark shall be assessed if the Contractor creates less than 50% of the annual performance target for increasing the number of FTE green jobs created for District residents. A penalty of 100% of the

performance incentive for this benchmark shall be assessed on the Contractor if the Contractor creates less than 25% of the annual performance target for increasing the number of FTE green jobs created for District residents. The total penalty for this benchmark is capped at \$100,000 per year.

C.40.8.5 *Benchmark for Leveraging Funds to Support Energy Efficiency and Renewable Energy Projects*

C.40.8.5.1 *Enumerated Benchmark*

C.40.8.5.1.1 The Contractor shall identify and secure additional funds, beyond the amounts annually available from the SETF or other District funds, to support energy efficiency and renewable energy projects and achieve the performance benchmarks. The Contractor must obtain at least \$5 million during the base period of this Contract from federal grants, private grants, PJM Capacity Market or other funding opportunities. Revenues to the Contractor from such funding opportunities shall not cause adjustment to the performance targets and incentives identified in this section C.40 so long as the funds are utilized in conjunction with SETF funds to supplement the Contractor's programs. District funds from sources other than the SETF shall *not* be counted towards this benchmark.

C.40.8.5.1.2 The Contractor shall consider the unique financial characteristics of this Contract and pursue suitable financial opportunities that do not adversely affect ratepayers nor require additional financial commitments from the District to support this Contract.

C.40.8.5.2 *Compensation Structure*

C.40.8.5.2.1 The performance incentive for this benchmark will be determined after the conclusion of Year 5 of this Contract given the complexities and time involved in securing additional funds to support DCSEU programs. The performance incentive is a sliding scale where the higher the amount of funds obtained from non-District sources, the higher the performance incentive. If the Contractor obtains \$2.5 million from non-District sources to support and expand its programs under this Contract, the Contractor shall receive 50% (or \$125,000) of the performance incentive available for this benchmark. The Contractor shall receive pro-rated compensation per dollar, up to the maximum incentive available for this benchmark, for obtaining more than \$2.5 million from non-District sources to augment its programs under this Contract. The total incentive for this benchmark is capped at \$250,000 for obtaining \$5 million or more in leveraged non-District funds.

C.40.8.5.2.2 For example, the Contractor shall receive a total compensation of \$175,000 for obtaining \$3.5 million from non-District sources to support and expand its programs under this Contract (\$125,000 for obtaining \$2.5 million plus \$50,000 $((\$125,000/\$2,500,000) \times \$1,000,000)$ for obtaining an additional \$1 million).

C.40.8.5.3 *Penalty Structure*

After Year 5, the Contractor shall be assessed a penalty of 50% (or \$125,000) for failure to obtain at least \$2.5 million in funding from non-District sources to support its energy efficiency and renewable energy programs under this Contract. The Contractor shall be assessed a penalty of 75% (\$187,500) for failure to obtain at least \$2 million from non-District sources to augment its programs under this Contract. A maximum penalty of 100% (or \$250,000) of the incentive for this benchmark will be assessed if the Contractor fails to obtain at least \$1.5 million from non-District sources to support and expand its programs under this Contract.

C.40.8.5.4 *Tracking Goals*

The Contractor shall track the following data points for the peak demand and largest energy users tracking goals:

C.40.8.5.4.1 *Reduce Growth of Peak Demand in the District of Columbia*

The Contractor is not required to undertake any programs aimed exclusively at reducing the growth of peak demand. However, the Contractor is required to estimate, using protocols developed by PJM for evaluating the capacity effects of energy efficiency projects for the Base Residual Auction, the impact on peak demand of its energy efficiency programs.

C.40.8.5.4.2 *Reduce the Growth of Energy Demand of the District of Columbia's Largest Energy Users*

C.40.8.5.4.2.1 The Contractor is not required to undertake any programs aimed exclusively at reducing the energy use of the largest energy users; however, the Contractor must track and report progress in this area by reporting on projects with large energy users in the District. Large energy users are defined as organizations, individuals or government entities that own a building with more than 200,000 square feet of gross floor area or own a campus of buildings in a contiguous geographic area that share building systems or at least one common energy meter without separate metering or sub-metering, such that their energy use cannot be individually tracked. Gross floor area includes infrastructure that contain heated and unheated space that is connected to a qualifying building. Energy efficiency or renewable energy measures must be installed in a qualified building or an infrastructure connected to a qualified building in order to qualify as a large energy user project.

C.40.8.5.4.2.2 The Contractor shall develop a tracking system to capture its engagement with large energy users. The tracking system shall be developed within 30 days of contract award, and must be capable of tracking the following supplemental information in order for energy efficiency projects undertaken by large energy users to be considered to be significant and attributable to the Contractor's contributions:

- 1) Number of opportunities with large energy users;
- 2) Number of projects completed;
- 3) The scope of each project and the dollar amount provided by the Contractor, as documented in a properly executed incentive agreement or memorandum of understanding prior to the completion date of the project;
- 4) The estimated annual amount of natural gas and electricity savings for each project;
- 5) Total project cost;
- 6) Project notes, including summary of energy management history, such as energy service companies ("ESCO") or performance contracting used by the owner; and
- 7) Identification of Federal and District governments owned buildings completed.

C.40.9 Societal Benefit Test

The CAEA requires the Contractor's energy efficiency program portfolio, as a whole, to pass the societal benefit test for the base period of this Contract. To meet this requirement, the Contractor shall track the costs and benefits associated with each energy efficiency program. The societal benefit test ratio is calculated by dividing the present value of total benefits by the present value of total costs, using a social discount rate to determine both totals. For the Contractor, the social discount rate will be set at either: 1) ten-year treasury rate ("social discount ten year rate") as posted in the *Wall Street Journal* on the first business day in October of the year being evaluated if the social discount ten year rate is more than 4 per cent; or 2) if the social discount ten year rate is less than or equal to four per cent, the social discount ten year rate plus two per cent. A societal benefit-to-cost ratio of 1.0 and greater is considered cost effective. Difficult to calculate benefits are expressed in percentage (%) adders until greater refinement in calculating those benefits is achieved. Below are the factors in the Contractor's societal benefits test for this Contract. DOEE and the Contractor may mutually agree to modify benefits or costs or propose additional benefits or costs.

C.40.10 Societal Test Benefits

- C.40.10.1** Value of the electrical and natural gas energy and capacity savings, also referred to as avoided costs. Avoided cost calculation should be based on long-term forecasts of wholesale market prices for electricity and natural gas.
- C.40.10.2** For electricity, transmission and distribution benefits including line losses and avoided transmission and distribution construction.
- C.40.10.3** Natural gas capacity and local delivery benefits (if too costly to calculate, 5% adder to natural gas savings can be used instead).

- C.40.10.4** Energy market price effects (reduction in wholesale price of electricity and natural gas due to reduced energy demand in wholesale energy markets).
- C.40.10.5** Adder equal to 5% of the benefits identified in sections C.40.10.1, C.40.10.2, C.40.10.3, and C.40.10.4, recognizing the benefits of energy efficiency and conservation in addressing risk and uncertainty.
- C.40.10.6** Non-energy benefits (NEBs) including comfort, noise reduction, aesthetics, health and safety, ease of selling/leasing home or building, improved occupant productivity, reduced work absences due to reduced illnesses, ability to stay in home/avoided moves, and macroeconomic benefits. Adder equal to 5% of the benefits identified in sections C.40.10.1, C.40.10.2, C.40.10.3, and C.40.10.4, may be used as alternative if calculating NEBs is excessively expensive.
- C.40.10.7** Benefits from reducing environmental externalities, including air and water pollution, greenhouse gas emissions, and cooling water use. To account for these benefits, a 5% adder may be applied to the benefits identified in sections C.40.10.1, C.40.10.2, C.40.10.3, and C.40.10.4 if calculating environmental externalities is excessively expensive.
- C.40.11 Societal Test Costs**
- C.40.11.1** Contractor incentives paid to the participant.
- C.40.11.2** Program and administrative costs.
- C.40.11.3** Monitoring, evaluation, and other non-incentive costs.
- C.40.11.4** Participant out-of-pocket costs after non-Contractor incentives (e.g., federal tax incentives) including the fair market value of all equipment, delivery and installation expenses, and operation and maintenance expenses. These costs can be converted to an annuity using either: 1) 10-year treasury rate (“annuity ten year rate”) posted in the *Wall Street Journal* on the first business day in October of the year the equipment is purchased if the annuity ten year rate is more than 4 per cent; or 2) the annuity ten year rate plus 2 per cent if the annuity ten year rate is less than or equal to 4 per cent.

SECTION D: PACKAGING AND MARKING

D.1 Not Applicable.

SECTION E: INSPECTION AND ACCEPTANCE

- E.1** Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- E.2** The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to DOEE during contract performance and for as long afterwards as this Contract requires.
- E.3** DOEE has the right to inspect and test all services called for by this Contract at reasonable times and places during the term of this Contract. DOEE will perform inspections and tests in a manner that will not unduly delay the work.
- E.4** If DOEE performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- E.5** If any of the services do not conform to the contract requirements, DOEE may require the Contractor to perform these services again in conformity with contract requirements, at no increase in the contract amount. When the defects in services cannot be corrected by performance, DOEE may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed.
- E.6** If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity with contract requirements, DOEE may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by DOEE that is directly related to the performance of such services, or (2) terminate this Contract for default.

SECTION F: PERIOD OF PERFORMANCE AND DELIVERABLES

F.1 Term of Contract

The term of this Contract shall be a base period from date of contract award through September 30, 2021 and renewable for a one (1) option period of five (5) additional years.

F.2 Period of Performance

F.2.1 The period of performance shall occur in five phases for the base period of this Contract. Except for the green jobs and low-income benchmarks, which will be evaluated annually, the Contractor's performance shall be evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the base period. Therefore, in the final evaluation after Year 5, the Contractor's cumulative performance over the entire base period will be evaluated.

F.2.2 If the option for a five-year extension of this Contract is exercised, evaluation during the option period will also occur in five phases. Except for the green jobs and low-income benchmarks, which will be evaluated annually, the Contractor's performance shall be evaluated on a cumulative basis after each fiscal year [October 1 to September 30] of the option period. Therefore, in the final evaluation after Year 10 of the Contract, the Contractor's cumulative performance over the 5 years of the option period will be evaluated.

F.3 Option to Extend the Term of the Contract

F.3.1 The District may extend the term of this Contract for a period of one (1) five-year option period, or successive fractions thereof, by written notice to the Contractor before the expiration of this Contract; provided that the District will give the Contractor preliminary written notice of its intent to extend at least sixty (60) days before this Contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option. The Contractor may waive the sixty (60) day preliminary notice requirement by providing a written waiver to the Contracting Officer prior to expiration of this Contract.

F.3.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.3.3 The price for the option period shall be as specified in Section B of this Contract.

F.3.4 The total duration of this Contract, including the exercise of any option under this clause, shall not exceed ten (10) years.

F.4 Deliverables

The Contractor shall perform the activities required to successfully complete DOEE's requirements and submit each deliverable to the Contract Administrator identified in section G.7 in accordance with the following:

Item No.	Deliverable	Due Date
0001	<ul style="list-style-type: none"> (a) Fully executed copies of all subcontracts executed by the Contractor (Section C.16.4) (b) Fully executed copies of all subcontracts in effect at time of Contract execution (Section C.16.4) (c) Copies of amended contracts or termination notices for subcontracts in effect at time of Contract execution (Section C.16.4) 	<ul style="list-style-type: none"> (a) 7 days from date of execution of each subcontract (b) 14 days from Contract execution (c) 30 days from Contract execution
0002	Monthly, Quarterly, and Annual Reports (Section C.20)	30 days from end of period
0003	Strategic Plan (Section C.11)	First draft: 60 days from beginning of contract; Final: 90 days from beginning of contract
0004	Protocols to track and resolve complaints about the Contractor, subcontractors, trade allies, and Implementation Contractors (Section C.5)	90 days from date of award
0005	Resource guide for potential Implementation Contractors ("ICs") and Contractor employees that will list workforce training requirements, educational opportunities, and related information; this documentation will assist potential Contractor employees and ICs in responding to Contractor vacancies and RFPs (Sections C.17 through C.18)	90 days from date of award
0006	Data collection protocols that facilitate the evaluation, measurement, and verification ("EM&V") of the energy saved by the Contractor's programs (Section C.32.4)	90 days from date of award
0007	Annual Plan that analyzes data and information from the Annual Report, EM&V reports, and strategic planning analyses to review and assess the impacts and effectiveness of the Contractor's programs. The Annual Plan makes any recommendations for improvements and modifications to programs and summarizes the Contractor's program design strategies, service offerings, emerging markets initiatives, and other planned implementation activities, including competitive solicitations, for the following year (Section C.12)	90 days prior to the end of a fiscal year.

Item No.	Deliverable	Due Date
0008	Technical Reference Manual (“TRM”) that contains current documentation on prescriptive measures (Section C.32)	Continuous
0009	Modifications to Automated Green Job Tracking System (Section C.40.8.4.3)	In advance of changes to System
0010	Large Energy Users Tracking System (Section C.40.8.5.4.2.2)	30 days from date of award

SECTION G: CONTRACT ADMINISTRATION

G.1 Invoice Submittal

G.1.1 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified. Invoices shall be prepared in duplicate and submitted to the agency Chief Financial Officer (CFO) with concurrent copies to the Contract Administrator (CA) specified in section G.7. The address of the CFO is:

Office of the Chief Financial Officer
Government Services Cluster
Accounts Payable Division
2000 14th Street, NW, 6th Floor
Washington, DC 20009

G.1.2 The Contractor shall also send a copy of the invoices to:

Dr. Lance Loncke
Department of Energy and Environment
1200 First Street, NE, 5th Floor
Washington, DC, 20002
Email: lancelot.loncke@dc.gov
Phone: 202-671-3306

G.1.3 To constitute a proper invoice, the Contractor shall submit the following information on the invoice:

- 1) Contractor's name, federal tax ID and invoice date (date invoices as of the date of mailing or transmittal);
- 2) Contract number, Purchase order and invoice number;
- 3) Description, price, quantity and the date(s) that the supplies or services were delivered or performed;
- 4) Other supporting documentation or information, as required by the Contracting Officer or Contract Administrator;
- 5) Name, title, telephone number and complete mailing address of the responsible official to whom payment is to be sent;
- 6) Name, title, phone number of person preparing the invoice;
- 7) Name, title, phone number and mailing address of person (if different from the person identified in G.1.3(6) above) to be notified in the event of a defective invoice; and
- 8) Authorized signature.

G.2 Invoice Payment

G.2.1 The District will make payments to the Contractor, upon the submission of proper invoices, and supporting documentation, at the prices stipulated in this

Contract, for supplies delivered and accepted or services performed, accepted, and paid for by the Contractor, less any discounts, allowances or adjustments provided for in this Contract. The District will pay the Contractor on or before the 30th day after receiving a proper invoice, as defined in section G.1.3, from the Contractor.

- G.2.2** If the Contractor is a for-profit entity, only costs determined in writing to be reimbursable by the Contracting Officer, in accordance with Section B.8.3.10, shall be reimbursable. The Contractor's actual costs incurred to perform the Statement of Work shall be reasonable and appropriate. Since the Contractor is a non-profit organization, DOEE and the Contractor agree to use the guidelines established by the Federal Government for Federal cost reimbursable grants as the basis for determining whether or not a particular direct or indirect cost item incurred under this Contract is reasonable and appropriate. Such Federal guidelines are contained in OMB Circular A-122, dated May 10, 2004.
- G.2.3** The Contractor shall invoice monthly based upon work completed under this Contract's Statement of Work (SOW) requirements and payment instructions for individual CLINs.
- G.2.3.1** The Contractor shall invoice DOEE for work completed under the SOW in accordance with CLINs 1001, 2001, 3001, 4001, and 5001, and not including CLINs 1002- 2002, 3002, 4002, and 5002. Each invoice shall include costs incurred since the prior invoice. Compensation for General and Administrative Costs shall be in accordance with the requirements of Section C.36, unless Contractor is granted prior written approval from DOEE to exceed this limit.
- G.2.3.2** Upon review and approval of an invoice, DOEE shall promptly provide notice of approval to the Fiscal Agent. If DOEE finds discrepancies with the invoice that require correction, then the invoice will be revised by the Contractor and resubmitted to DOEE prior to submission to the FA for payment.
- G.2.3.3** The Contractor and DOEE shall seek to resolve any discrepancies or other concerns with the invoice within (ten) 10 business days after DOEE's receipt of the invoice. Within five (5) business days of receipt of invoice, DOEE shall review and provide any questions or concerns to Contractor; within five (5) business days of receipt of questions or concerns from DOEE, Contractor shall provide a response that fully addresses DOEE's questions or concerns. Portions of any invoice which are not questioned will proceed to payment.
- G.2.3.4** If DOEE and the Contractor do not agree on the need to adjust a specific invoiced item, then DOEE or the Contractor may request resolution under the provisions for resolving disputes in Section I.2 of this Contract.

G.3 Performance Incentives

The Contractor may invoice the amounts of performance incentives specified in CLINs 1002, 2002, 3002, 4002 and 5002, awarded annually or otherwise by

DOEE pursuant to Sections C.40, C.40.8.1.2, C.40.8.2.2, C.40.8.3.2, C.40.8.4.4, and/or C.40.8.5.2.

G.4 Performance Incentive Penalties

If applicable, after each contract year, DOEE will assess performance benchmark penalties as prescribed in Sections C.40, C.40.8.3.3, and/or C.40.8.4.5. If applicable, after Year 5 of the base period, DOEE will assess performance benchmark penalties as prescribed in Sections C.40, C.40.8.1.3, C.40.8.2.3, and/or C.40.8.5.3. As prescribed in Section C.40, DOEE may set off amounts of performance benchmark penalties against earned performance incentives for any benchmark.

G.5 Cost Reimbursement Ceiling

G.5.1 Cost Reimbursement Ceiling for this Contract is set forth in Sections B.3, B.7, and B.8 (for CLINs 1001, 2001, 3001, 4001 and 5001).

G.5.2 The limitations on the Cost Reimbursement Ceiling described in Section B.8.3 shall apply to this Contract.

G.6 Contracting Officer (CO)

G.6.1 Contracts will be entered into and signed on behalf of the District only by contracting officers. The contact information for the Contracting Officer is:

Jacque McDonald, CPPO, CPPB, SPSM, MBA, MST
Director of Contracts, Procurement and Grants
Executive Office of the Mayor
Office of the Deputy Mayor for Planning & Economic Development
1015 Half Street SE, Suite 675
Washington, DC 20003
202.727-6365
jacque.mcdonald@dc.gov

G.6.2 Authorized Changes by the Contracting Officer

The CO is the only person authorized to approve changes in any of the requirements of this Contract. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this Contract, unless issued in writing and signed by the CO. In the event the Contractor effects any change at the instruction or request of any person other than the CO, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

G.7 Contract Administrator

G.7.1 The Contract Administrator (CA) is responsible for general administration of this

Contract and advising the CO as to the Contractor's compliance or noncompliance with this Contract. The CA has the responsibility of ensuring the work conforms to the requirements of this Contract and such other responsibilities and authorities as may be specified in this Contract. These include:

- 1) Keeping the CO fully informed of any technical or contractual difficulties encountered during the performance period and advising the CO of any potential problem areas under this Contract;
- 2) Reviewing invoices for completed work and recommending approval by the CO if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;
- 3) Reviewing and approving invoices for deliverables to ensure receipt of goods and services. This includes the timely processing of invoices, as described in section G.2.3.3, and vouchers in accordance with the District's payment provisions; and
- 4) Maintaining a file that includes all contract correspondence, modifications, records of inspections (site, data, and equipment) and invoices or vouchers.

G.7.2

The name, address, and telephone number of the CA are:

Dr. Lance Loncke
Department of Energy and Environment
1200 First Street, NE, 5th Floor
Washington, DC 20002
Email: lancelot.loncke@dc.gov
(202) 671-3306.

G.7.3

The CA shall NOT have the authority to:

- 1) Award, agree to, or sign any contract, delivery order or task order. Only the CO shall make contractual agreements, commitments or modifications;
- 2) Grant deviations from or waive any of the terms and conditions of this Contract;
- 3) Increase the dollar limit of this Contract or authorize work beyond the dollar limit of this Contract;
- 4) Authorize the expenditure of funds by the Contractor;
- 5) Change the period of performance; or
- 6) Authorize the use of District property, except as specified under this Contract.

G.7.4

The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the CO; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

G.8 Quick Payment Clause

G.8.1 The District will pay amounts due to the Contractor in accordance with the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.*

G.8.2 The Contractor will pay amounts due to its subcontractors and ICs in accordance with the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.*

G.9 Quick Payment Clause Flow-down Requirement for Subcontracts

G.9.1 The Contractor shall include in each subcontract a provision that incorporates the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d). The Contractor shall require its subcontractors to include in their contracts with any lower tier subcontractors or suppliers the payment and interest clauses in paragraphs (1) and (2) of DC Official Code §2-221.02(d).

SECTION H: SPECIAL CONTRACT REQUIREMENTS

H.1 Subcontracting Requirements

H.1.1 *Mandatory Subcontracting Requirements*

- H.1.1.1** Unless the Director of the Department of Small and Local Business Development (DSLBD) has approved a waiver in writing, for all contracts in excess of \$250,000, at least 35% of the dollar volume of the contract shall be subcontracted to qualified small business enterprises (SBEs).
- H.1.1.2** If there are insufficient SBEs to completely fulfill the requirement of paragraph H.1.1.1, then the subcontracting may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises (CBEs); provided, however, that all reasonable efforts shall be made to ensure that SBEs are significant participants in the overall subcontracting work.
- H.1.1.3** A prime contractor that is certified by DSLBD as a small, local or disadvantaged business enterprise shall not be required to comply with the provisions of sections H.1.1.1 and H.1.1.2 of this clause.
- H.1.1.4** Except as provided in H.1.1.5 and H.1.1.7, a prime contractor that is a CBE and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-aside program, shall perform at least 35% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracting effort shall be with CBEs. A CBE prime contractor that performs less than 35% of the contracting effort shall be subject to enforcement actions under D.C. Official Code §2-218.63.
- H.1.1.5** A prime contractor that is a certified joint venture and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-aside program, shall perform at least 50% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracting effort shall be with CBEs. A certified joint venture prime contractor that performs less than 50% of the contracting effort shall be subject to enforcement actions under D.C. Official Code § 2-218.63.
- H.1.1.6** Each CBE utilized to meet these subcontracting requirements shall perform at least 35% of its contracting effort with its own organization and resources.
- H.1.1.7** A prime contractor that is a CBE and has been granted a bid preference pursuant to D.C. Official Code § 2-218.43, or is selected through a set-aside program, shall perform at least 50% of the on-site work with its own organization and resources if the contract is \$1 million or less.

H.1.2 Subcontracting Plan

If the prime contractor is required by law to subcontract under this Contract, it must subcontract at least 35% of the dollar volume of this contract in accordance with the provisions of sections H.1.1 of this clause. The plan shall be submitted as part of the bid and may only be amended with the prior written approval of the CO and Director of DSLBD. Any reduction in the dollar volume of the subcontracted portion resulting from an amendment of the plan shall inure to the benefit of the District. Each subcontracting plan shall include the following:

- 1) The name and address of each subcontractor;
- 2) A current certification number of the small or certified business enterprise;
- 3) The scope of work to be performed by each subcontractor; and
- 4) The price that the prime contractor will pay each subcontractor.

H.1.3 Copies of Subcontracts

Within twenty-one (21) days of the date of award, the Contractor shall provide fully executed copies of all subcontracts identified in the subcontracting plan to the CO, CA, District of Columbia Auditor and the Director of DSLBD.

H.1.4 Subcontracting Plan Compliance Reporting

H.1.4.1

If the Contractor has a subcontracting plan required by law for this Contract, the Contractor shall submit a quarterly report to the CO, CA, District of Columbia Auditor and the Director of DSLBD. The quarterly report shall include the following information for each subcontract identified in the subcontracting plan:

- 1) The price that the prime contractor will pay each subcontractor under the subcontract;
- 2) A description of the goods procured or the services subcontracted for;
- 3) The amount paid by the prime contractor under the subcontract; and
- 4) A copy of the fully executed subcontract, if it was not provided with an earlier quarterly report

H.1.4.2

If the fully executed subcontract is not provided with the quarterly report, the prime contractor will not receive credit toward its subcontracting requirements for that subcontract.

H.1.5 Annual Meetings

Upon at least 30-days written notice provided by DSLBD, the Contractor shall meet annually with the CO, CA, District of Columbia Auditor, and the Director of DSLBD to provide an update on its subcontracting plan.

H.1.6 Notices

The Contractor shall provide written notice to the DSLBD and the District of Columbia Auditor upon commencement of this Contract and when this Contract is completed.

H.1.7 Enforcement and Penalties for Breach of Subcontracting Plan

H.1.7.1 A contractor shall be deemed to have breached a subcontracting plan required by law, if the contractor (i) fails to submit subcontracting plan monitoring or compliance reports or other required subcontracting information in a reasonably timely manner; (ii) submits a monitoring or compliance report or other required subcontracting information containing a materially false statement; or (iii) fails to meet its subcontracting requirements.

H.1.7.2 A contractor that is found to have breached its subcontracting plan for utilization of CBEs in the performance of a contract shall be subject to the imposition of penalties, including monetary fines in accordance with D.C. Official Code § 2-218.63.

H.1.7.3 If the CO determines the Contractor's failure to be a material breach of this Contract, the CO shall have cause to terminate this Contract for default under the default provisions in clause 8, Default, of the Standard Contract Provisions (SCP).

H.2 First Source Employment Agreement

The Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code §2-219.01 *et seq.* ("First Source Act"). This program provides District residents priority for new jobs created by municipal financing and development programs. Each employer in the program must sign an agreement ensuring that all job openings created by this Contract are listed with the District Department of Employment Services ("DOES") and that 51% of new hires are District residents.

H.3 Publicity

H.3.1 The Contractor shall at all times obtain prior approval from the CA before it, any of its officers, agents, employees or subcontractors, makes any statement that may reflect on DOEE or the District government, or states or implies it is speaking on behalf of DOEE or the District. This section does not apply to marketing and consumer education services provided by the Contractor and previously submitted for review to DOEE. Nor does it apply to the activities of the Contractor to promote the DCSEU, its services and initiatives, and sustainable energy in general in printed materials, presentations, articles, papers, media stories, and on the web, whose content has been previously submitted for review to DOEE. Press releases must be approved by DOEE prior to release.

H.3.2 The Contractor shall at all times inform the CA 48 hours in advance before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of this Contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this Contract.

H.4 Freedom of Information Act

The District of Columbia Freedom of Information Act, at D.C. Official Code §2-532 (a-3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the CA who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to this Contract, the CA will request the Contractor to provide the records. In either event, the Contractor is required by law to provide all responsive records to the CA within the timeframe designated by the CA. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code §2-532 and Chapter 4 of Title 1 of the D.C. Municipal Regulations.

H.5 Americans with Disabilities Act Of 1990 (ADA)

During the performance of this Contract, the Contractor, and any of its subcontractors, shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. §12101 *et seq.*

H.6 Rehabilitation Act

During the performance of this Contract, the Contractor and any of its subcontractors shall comply with Section 504 of the Rehabilitation Act of 1973, as amended. This Act prohibits discrimination against disabled people in federally funded programs and activities. See 29 U.S.C. § 794 *et seq.*

H.7 Key Personnel and Location

H.7.1 The key personnel required to be specified by the Contractor in its proposal are considered to be essential to the work being performed under this Contract. The Contractor shall not reassign or discharge Key Contractor Personnel without notifying the CO and CA. If any Key Contractor Personnel become unavailable to perform services due to death, illness, discharge, or resignation, then the Contractor shall inform the CO and CA and promptly appoint a replacement after

consultation with the CA.

H.7.2 The Contractor is required to maintain a physical office within the District that is staffed by Key Contractor Personnel who are responsible for the day-to-day management of the Contractor's performance and activities under this Contract.

H.8 Way to Work Amendment Act

H.8.1 The Contractor shall comply with Title I of The Way to Work Amendment Act of 2006, effective June 9, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 *et seq.*) ("Living Wage Amendment Act of 2014," Attachment J.4), for contracts for services in the amount of One Hundred Thousand Dollars (\$100,000) or more in a twelve-month period.

H.8.2 The Contractor shall pay its employees and subcontractors who perform services under this Contract no less than the current living wage published on the Office of Contracting and Procurement ("OCP") website at www.ocp.dc.gov.

H.8.3 DOES may adjust the living wage annually and OCP will publish the current living wage rate on its website at www.ocp.dc.gov.

H.8.4 The Contractor shall provide a copy of the Fact Sheet attached as Attachment J.8 to each employee and subcontractor who performs services under this Contract. The Contractor shall also post the Notice attached as Attachment J.7 in a conspicuous place in its place of business. The Contractor shall include in any subcontract for Fifteen Thousand Dollars (\$15,000) or more a provision requiring the subcontractor to post the Notice in a conspicuous place in its place of business.

H.9 Equal Employment Opportunity

In accordance with the District of Columbia Administrative Issuance System, Mayor's Order 85-85 dated June 10, 1985, the forms for completion of the Equal Employment Opportunity Information Report are incorporated herein. An award cannot be made to any Offeror or an entity that has not satisfied the equal employment requirements.

H.10 Department of Labor Wage Determination

The Contractor shall be bound by the Wage Determination No. 2015-4281 Revision No. 4, dated December 30, 2016, issued by the U.S. Department of Labor in accordance with the Service Contract Act, 41 U.S.C. §351 *et seq.*, and incorporated herein as Attachment J.2. The Contractor shall be bound by the wage rates for the term of this Contract subject to revision as stated herein and in accordance with Section 24 of the SCPs. If an option is exercised, the Contractor shall be bound by the applicable wage rates at the time of the option. If the option is exercised and the CO obtains a revised wage determination, the revised

wage determination is applicable for the option periods and the Contractor may be entitled to an equitable adjustment.

H.11 Electric and Gas Program Expenditures

Expenditures on electricity-related programs over the term of this Contract shall be no less than 75%, of the amount of the funds provided from the assessment on the electricity company. Annual expenditures on natural gas-related programs shall be no less than 75% of the amount of the yearly funds provided from the assessment on the gas company.⁶ The Contractor shall provide a detailed breakdown of natural gas and electricity-related program expenditures as part of its reporting requirements in section C.20.

H.12 Reserve Funds

The Contractor is required to maintain a capital reserve or line of credit sufficient to cover approved IC and subcontractor invoices for an average month of expenses paid out to the Contractor's ICs and subcontractors. This is required to ensure that ICs and subcontractors are paid in accordance with provisions of section G.8.2. The District shall not make any separate allowance or payment for the cost of reserve funds. The Contractor shall include all of the costs of reserve funds in the contract price.

H.13 Audits and Records

H.13.1 As used in Sections H.13, H.14, and H.15, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

H.14 Examination of Costs

The Contractor shall maintain and the CO, or an authorized representative of the CO, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this Contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing this Contract.

H.15 Examination of transaction records.

H.15.1 The Contracting Officer, the Inspector General and the District of Columbia Auditor, or any of their duly authorized representatives, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this Contract or a subcontract hereunder.

⁶ CAEA §202(h), (i), and (j), D.C. Code § 8-1774.02(h), (i) and (j) .

H.15.2 This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

H.16 Reports

If the Contractor is required to furnish cost, funding, or performance reports, the CO or an authorized representative of the CO shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating the effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports, and the data reported.

H.17 Availability

The Contractor shall make available to the District at its office at all reasonable times the records, materials, and other evidence described in Sections H.13.1 through H.15.2, for examination, audit, or reproduction, until three (3) years after final payment under this Contract, or for any longer period required by statute or by other clauses of this Contract. In addition:

- 1) If this Contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until three (3) years after any resulting final termination settlement; and
- 2) The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this Contract until such appeals, litigation, or claims are finally resolved.

H.17.1 The Contractor shall insert a clause containing all the terms of this clause, including this Section H.17.1, in all its subcontracts under this Contract that exceed the small purchase threshold of One Hundred Thousand Dollars (\$100,000), and:

- 1) That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;
- 2) For which cost or pricing data are required; or
- 3) That requires the subcontractor to furnish reports as discussed in Section H.16.

H.18 DOEE Operational Liaison

H.18.1 This section is intended to increase coordination, collaboration, and communication between DOEE and Contractor for the efficient and effective performance of this Contract. To this end, DOEE may select an employee to serve as an Operational Liaison to the Contractor. Examples of the tasks that the Operational Liaison may undertake include but are not limited to:

- 1) Assist in responding to data or information requests from stakeholders;

- 2) Provide updates on DOEE activities and plans, and help facilitate opportunities for collaboration on new and existing programs and activities (e.g., working groups, outreach, etc.);
- 3) Coordinate quarterly operations reviews;
- 4) Serve as “interagency” representative to improve service collaboration;
- 5) Help resolve customer issues and brief the CA;
- 6) Assist in development and review of status reports with DOEE officials; and
- 7) Attend and participate in the Contractor’s meetings (e.g., staff meetings, operations meetings, or customer and subcontractor meetings with the Contractor’s staff).

H.18.2 As used in Sections this Section H.18, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

H.18.3 In addition to the requirements of Section E, during the performance of this Contract, DOEE’s Operational Liaison with authorization from the CA:

- 1) shall have a designated workstation at the Contractor's office in the District;
- 2) shall have the right to examine, subject to 24 hours written notice to the Contractor, all records and other documentation related to the Contractor’s performance under this Contract;
- 3) shall have access to and the right to examine, subject to 24 hours written notice to the Contractor, any of the Contractor’s pertinent records involving transactions related to this Contract or a subcontract thereunder; and
- 4) may request permission to join meetings with the Contractor’s personnel regarding program administration, program operations or other pertinent matters as they arise. Such requests shall not be unreasonably denied.

H.18.4 The Contractor shall furnish to the Operational Liaison all reasonable facilities, including access to meeting rooms, connection to the Contractor’s local area network at its location and the internet, and any other assistance required, for the safe and convenient performance of the tasks assigned by the CA. Such duties will be coordinated with Contractor's cognizant personnel to minimize any effect on Contractor's normal operations.

H.18.5 Six months after contract execution, the Contractor and CO shall review the effects of the provisions of all parts of this Section H.18 and mutually determine any necessary changes.

H.19 Pregnant Workers Fairness

H.19.1 The Contractor shall comply with the Protecting Pregnant Workers Fairness Act of 2016, D.C. Official Code § 32-1231.01 *et seq.* (PPWF Act).

H.19.2 The Contractor shall not:

(a) Refuse to make reasonable accommodations to the known limitations related to pregnancy, childbirth, related medical conditions, or breastfeeding for an employee, unless the Contractor can demonstrate that the accommodation would impose an undue hardship;

(b) Take an adverse action against an employee who requests or uses a reasonable accommodation in regard to the employee's conditions or privileges of employment, including failing to reinstate the employee when the need for reasonable accommodations ceases to the employee's original job or to an equivalent position with equivalent:

(1) Pay;

(2) Accumulated seniority and retirement;

(3) Benefits; and

(4) Other applicable service credits;

(c) Deny employment opportunities to an employee, or a job applicant, if the denial is based on the need of the employer to make reasonable accommodations to the known limitations related to pregnancy, childbirth, related medical conditions, or breastfeeding;

(d) Require an employee affected by pregnancy, childbirth, related medical conditions, or breastfeeding to accept an accommodation that the employee chooses not to accept if the employee does not have a known limitation related to pregnancy, childbirth, related medical conditions, or breastfeeding or the accommodation is not necessary for the employee to perform her duties;

(e) Require an employee to take leave if a reasonable accommodation can be provided; or

(f) Take adverse action against an employee who has been absent from work as a result of a pregnancy-related condition, including a pre-birth complication.

H.19.3 The Contractor shall post and maintain in a conspicuous place a notice of rights in both English and Spanish and provide written notice of an employee's right to a needed reasonable accommodation related to pregnancy, childbirth, related medical conditions, or breastfeeding pursuant to this chapter to:

- (a) New employees at the commencement of employment;
- (b) Existing employees; and
- (c) An employee who notifies the employer of her pregnancy, or other condition covered by this chapter, within 10 days of the notification.

H.19.4 The Contractor shall provide an accurate written translation of the notice of rights to any non-English or non-Spanish speaking employee.

H.19.5 Violations of the PPWF Act shall be subject to civil penalties as described in the Act.

H.20 Unemployed Anti-Discrimination

H.20.1 The Contractor shall comply with the Unemployed Anti-Discrimination Act of 2012, D.C. Official Code § 32-1361 *et seq.*

H.20.2 The Contractor shall not:

- (a) Fail or refuse to consider for employment, or fail or refuse to hire, an individual as an employee because of the individual's status as unemployed; or
- (b) Publish, in print, on the Internet, or in any other medium, an advertisement or announcement for any vacancy in a job for employment that includes:
 - (1) Any provision stating or indicating that an individual's status as unemployed disqualifies the individual for the job; or
 - (2) Any provision stating or indicating that an employment agency will not consider or hire an individual for employment based on that individual's status as unemployed.

H.20.3 Violations of the Unemployed Anti-Discrimination Act shall be subject to civil penalties as described in the Act.

SECTION I: CONTRACT CLAUSES

I.1 Applicability of Standard Contract Provisions

The Standard Contract Provisions for use with District of Columbia Government Supplies and Services Contracts dated July 2010 (“SCPs”) are incorporated as part of the contract except as provided in this clause I.1. The following SCP provisions are not applicable to this Contract, namely provisions 2 (Shipping Instructions); 4 (Quality); 5 (Inspection of Supplies); 6 (Inspection of Services); 21 (Health and Safety Standards); 22 (Appropriation of Funds); 26 (Multiyear Contract, duplicated at Section B.5); Paragraph (a)(2)(A) of SCP 27 (Termination for Certain Crimes and Violations); 33 (Publicity); 40 (Confidentiality of Information); 42 (Rights in Data); 44 (Subcontracts); and 45 (Subcontracting Requirements). To obtain a copy of the SCPs go to [www.ocp.dc.gov](http://ocp.dc.gov), click on OCP Policies under the heading “Information”, then click on “Standard Contract Provisions – Supplies and Services Contracts” or follow this link:
<http://ocp.dc.gov/sites/default/files/dc/sites/ocp/publication/attachments/Standard%20Contract%20Provisions%20-%20July%202010.pdf>

I.2 Disputes

Delete Article 14, Disputes, of the Standard Contract Provisions for use with District of Columbia Government Supplies and Services Contracts, dated July 2010 and substitute this Article I.2, Disputes. All disputes arising under or relating to the contract shall be resolved as provided herein.

I.2.1 Claims by the Contractor against the District: Claim, as used in paragraph I.2.1 of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

I.2.1.1 All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the CO for a decision. The Contractor’s claim shall contain at least the following:

- 1) A description of the claim and the amount in dispute;
- 2) Data or other information in support of the claim;
- 3) A brief description of the Contractor’s efforts to resolve the dispute prior to filing the claim; and
- 4) The Contractor’s request for relief or other action by the CO.

- I.2.1.2** The CO may meet with the Contractor in a further attempt to resolve the claim by agreement.
- I.2.1.3** The CO shall issue a decision on any claim within 120 calendar days after receipt of the claim. Whenever possible, the CO shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.
- I.2.1.4** The CO's written decision shall do the following:
- 1) Provide a description of the claim or dispute;
 - 2) Refer to the pertinent contract terms;
 - 3) State the factual areas of agreement and disagreement;
 - 4) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - 5) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - 6) Indicate that the written document is the CO's final decision; and
 - 7) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
- I.2.1.5** Failure by the CO to issue a decision on a contract claim within 120 days of receipt of the claim will be deemed to be a denial of the claim, and will authorize the commencement of an appeal to the Contract Appeals Board as provided by D.C. Official Code § 2-360.04.
- I.2.1.6** If a contractor is unable to support any part of its claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim. Liability under this paragraph I.2.1.6, shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.
- I.2.1.7** Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the CO.
- I.2.2** **Claims by the District against the Contractor:** Claim as used in paragraph I.2.2 of this clause, means a written demand or written

assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to the contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

I.2.2.1 The CO shall decide all claims by the District against a contractor arising under or relating to a contract.

I.2.2.2 The CO shall send written notice of the claim to the contractor. The CO's written decision shall do the following:

- 1) Provide a description of the claim or dispute;
- 2) Refer to the pertinent contract terms;
- 3) State the factual areas of agreement and disagreement;
- 4) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
- 5) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
- 6) Indicate that the written document is the CO's final decision; and
- 7) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.

I.2.2.3 The CO shall support the decision by reasons and shall inform the Contractor of its rights as provided herein.

I.2.2.4 Before or after issuing the decision, the CO may meet with the Contractor to attempt to resolve the claim by agreement.

I.2.2.5 The authority contained in this paragraph I.2.2 shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle or determine.

I.2.2.6 This clause shall not authorize the CO to settle, compromise, pay, or otherwise adjust any claim involving fraud.

I.2.3 Decisions of the CO shall be final and not subject to review unless the Contractor timely commences an administrative appeal for review of the decision, by filing a complaint with the Contract Appeals Board, as authorized by D.C. Official Code § 2-360.04.

I.2.4 Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the CO.

I.3 Insurance

I.3.1 GENERAL REQUIREMENTS. The Contractor shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A-VIII or higher. The Contractor shall require all of its subcontractors to carry the same insurance required herein. The Contractor shall ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event the stated limit in the declarations page of the policy is reduced via endorsement or the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium.

I.3.2 All required liability policies shall include the Government of the District of Columbia as an additional insured and shall contain a waiver of subrogation.

I.3.3 If the Contractor and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Grantee and subcontractors.

I.3.4 Commercial General Liability Insurance. The Contractor shall provide evidence satisfactory to the CO with respect to the services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate; Bodily Injury and Property Damage including, but not limited to: premises-operations; broad form property damage; Products and Completed Operations; Personal and Advertising Injury; contractual liability and independent contractors. The policy coverage shall include the District of Columbia as an additional insured, shall be primary and non-contributory with any other insurance maintained by the District of Columbia, and shall contain a waiver of subrogation. The Contractor shall maintain Completed Operations coverage for five (5) years following final acceptance of the work performed under this contract.

I.3.5 Automobile Liability Insurance. The Contractor shall provide automobile liability insurance to cover all owned, hired or non-owned motor vehicles used in conjunction with the performance of this contract. The policy shall provide a

\$1,000,000 per occurrence combined single limit for bodily injury and property damage.

- I.3.6** Workers' Compensation Insurance. The Contractor shall provide Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.
- I.3.7** Employer's Liability Insurance. The Contractor shall provide employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.
- I.3.8** Crime Insurance (3rd Party Indemnity) - The Contractor shall provide a 3rd Party Crime policy to cover the dishonest acts of Contractor's employees which result in a loss to the District. The policy shall provide a limit of \$1,000,000 per occurrence.
- I.3.9** Cyber Liability Insurance - The Contractor shall provide Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
- I.3.10** Environmental Liability Insurance - The Contractor shall provide a policy to cover costs associated with bodily injury, property damage and remediation expenses associated with pollution incidents including, but not limited to, mold, asbestos or lead removal. The policy shall provide a minimum of \$1,000,000 in coverage per incident and \$2,000,000 aggregate.
- I.3.11** Professional Liability Insurance (Errors & Omissions) - The Contractor shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Contract. The policy shall provide limits of \$1,000,000 per occurrence for each wrongful act and \$2,000,000 annual aggregate.
- I.3.12** Sexual/Physical Abuse & Molestation - The Contractor shall provide evidence satisfactory to the Contracting Officer with respect to the services performed that it carries \$1,000,000 per occurrence limits; \$2,000,000 aggregate. This insurance requirement will be considered met if the general liability insurance includes sexual abuse and molestation coverage for the required amounts.

- I.3.13** Umbrella or Excess Liability Insurance - The Contractor shall provide umbrella or excess liability (which is excess over employer's liability, general liability, and automobile liability) insurance as follows: \$15,000,000 per occurrence. All liability coverages must be scheduled under the umbrella and that the combined liability limit of the above required policies should be no less than \$16,000,000. The Contractor shall require all subcontractors to carry the same insurance, unless the contract is under \$100,000, in which case the Contractor will require firms to carry \$1,000,000 in Umbrella and Liability Insurance coverage.
- I.3.14** DURATION. The Contractor shall carry all required insurance until all contract work is accepted by the District, and shall carry the required General Liability; any required Professional Liability; and any required Employment Practices Liability insurance for five (5) years following final acceptance of the work performed under this contract.
- I.3.15** LIABILITY. These are the required minimum insurance requirements established by the District of Columbia. **HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE CONTRACTOR'S LIABILITY UNDER THIS CONTRACT.**
- I.3.16** CONTRACTOR'S PROPERTY. Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.
- I.3.17** MEASURE OF PAYMENT. The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.
- I.3.18** NOTIFICATION. The Contractor shall immediately provide the CO with written notice in the event that its insurance coverage has or will be substantially changed, canceled or not renewed, and provide an updated certificate of insurance to the CO.
- I.3.19** CERTIFICATES OF INSURANCE. The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Certificates of insurance must reference the corresponding purchase order number. Evidence of insurance shall be submitted to:
- Jacque McDonald
Director, Contracts, Procurement and Grants
Office of Deputy Mayor for Planning and Economic Development
1015 Half Street SE, Suite 675
Washington, DC 20003
jacque.mcdonald@dc.gov
(202) 724-8111

I.3.20 **DISCLOSURE OF INFORMATION.** The Contractor agrees that the District may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.

I.4 Confidentiality of Information

Subject to the requirements of Section C.9, the Contractor shall keep all information relating to any employee or customer of the District in absolute confidence and shall not use the information in connection with any other matters; nor shall it disclose any such information to any other person, firm or corporation, in accordance with the District and federal laws governing the confidentiality of records. The exception shall be to allow the Contractor to share such data with subcontractors and other contracted partners who require this information to conduct the Contractor's Scope of Work, and who have signed confidentiality agreements that protect this information.

I.5 Time

Time, if stated in a number of days, will include Saturdays, Sundays, and holidays, unless otherwise stated herein.

I.6 Independence

The Contractor shall be prepared to operate the DCSEU and perform the requirements of this Contract in an independent capacity and not as officers or employees of the District of Columbia. The Contractor shall be prepared to indemnify, defend, and hold harmless the District and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's, IC's, subcontractor's or vendor's acts and/or omissions in the performance of its duties.

I.7 Rights in Data

I.7.1 "Data," as used herein, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

I.7.2 The term "Technical Data," as used herein, means recorded information, regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work, or be usable or used to define a design or process or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations

in media such as drawings or photographs, text in specifications or related performance or design type documents or computer printouts. Examples of technical data include research and engineering data, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information, and computer software documentation. Technical data does not include computer software or financial, administrative, cost and pricing, and management data or other information incidental to contract administration.

I.7.3

The term "Computer Software", as used herein means computer programs and computer databases. "Computer Programs", as used herein means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations. "Computer Programs" include data management systems, utility programs, sort merge programs, and automated data processing equipment maintenance diagnostic programs, as well as applications programs such as payroll, inventory control and engineering analysis programs. Computer Programs may be either machine-dependent or machine-independent, and may be general purpose in nature or designed to satisfy the requirements of a particular user. Computer Software and Computer Programs do not include Customized Software.

I.7.4

"Customized Software" means any computer software, including any related database structure, but not related data, that is not readily available for purchase in the commercial market and that is modified, developed, and/or written by the Contractor or its subcontractor(s) specifically for the purpose of performing the services under this Contract. Customized Software shall not be considered intellectual property of the District and shall remain the sole property of the Contractor and/or its subcontractors. Notwithstanding these provisions, at the termination or expiration of this Contract, provided that period is no less than one year, the Contractor agrees to provide the District with a perpetual non-exclusive license to use such Customized Software for the sole purpose of ongoing implementation of the DCSEU in the District, at no cost to the District. Such a license will allow the District and DOEE the rights to continue using Customized Software, but will not include any obligation on the part of the Contractor to support the District's continuing use after the end of the contract, as extended, of the Customized Software provided by the Contractor. Customized Software includes, but is not limited to:

- 1) The Contractor's proprietary customer information, transaction management and data tracking software (currently known as "KITT");
- 2) The Contractor's spreadsheet tools for calculating measure and project costs and savings as part of program implementation; and
- 3) The Contractor's tools for input and pre-processing inputs to the KITT data base system.

- I.7.5** The term "computer database(s)", as used herein, means a collection of data in a form capable of being processed and operated on by a computer.
- I.7.6** All data first produced in the performance of this Contract shall be the sole property of the District. The Contractor hereby acknowledges that all data, including, without limitation, Computer Software (but not including Customized Software), produced by Contractor for the District under this Contract, are works made for hire and are, subject to the last sentence of this paragraph, the sole property of the District; but, to the extent any such data may not, by operation of law, be works made for hire, Contractor hereby transfers and assigns to the District the ownership of copyright in such works, whether published or unpublished. District ownership rights may not be exclusive in the instance of materials, data, or products that are purchased or developed with another entity sharing in the associated costs.
- I.7.7** Section I.7.6 shall not apply to data generated by Contractor pursuant to Contractor's performance on the IMT Consultant Agreement; such data shall be subject to the terms of Section I.9 below."
- I.7.8** The Contractor agrees to give the District all assistance reasonably necessary to perfect rights established in section I.7.6, including, but not limited to, the works and supporting documentation and the execution of any instrument required to register copyrights. The Contractor agrees not to assert any rights in common law or in equity in such data. The Contractor shall not publish or reproduce such data in whole or in part or in any manner or form, or authorize others to do so, except as reasonably necessary for the Contractor to perform its obligations under this Contract, without written consent of the District until such time as the District may have released such data to the public, provided, however, that, with the exception of participant-specific data and competitively sensitive data as defined in Section C.7 herein, the Contractor, after obtaining written approval from DOEE, may provide such data to, and authorize the publication and reproduction of the data by (i) not-for-profit entities that promote, coordinate, or facilitate efficiency and/or renewable energy programs or services, (ii) not-for-profit providers of efficiency and/or renewable energy programs or services, and (iii) entities engaged in energy efficiency research. Notwithstanding the foregoing, any participant-specific data or competitively sensitive data may not be disclosed under this Section I.7.8 and will only be disclosed pursuant to Section C.7.
- I.7.9** The District will have restricted rights in data, including computer software and all accompanying documentation, manuals and instructional materials, listed or described in a license or agreement made a part of this Contract, which the parties have agreed will be furnished with restricted rights, provided however, notwithstanding any contrary provision in any such license or agreement, such restricted rights shall include, as a minimum the right to:
- 1) Use the computer software and all accompanying documentation and manuals or instructional materials with the computer for which or with which

it was acquired, including use at any District installation to which the computer may be transferred by the District;

- 2) Use the computer software and all accompanying documentation and manuals or instructional materials with a backup computer if the computer for which or with which it was acquired is inoperative; and
- 3) Copy computer programs for safekeeping (archives) or backup purposes; and modify the computer software and all accompanying documentation and manuals or instructional materials, or combine it with other software, subject to the provision that the modified portions shall remain subject to these restrictions.

I.7.10 The restricted rights set forth in sections I.7 and I.8 are of no effect unless

- 1) The data are marked by the Contractor with the following legend:

Restricted Rights Legend

“Use, duplication, or disclosure is subject to restrictions stated in Contract No. DOEE-2016-C-0002 with Vermont Energy Investment Corporation” and

2) If the data is computer software, the related computer software documentation includes a prominent statement of the restrictions applicable to the computer software. The Contractor may not place any legend on the computer software indicating restrictions on the District’s rights in such software unless the restrictions are set forth in a license or agreement made a part of this Contract prior to the delivery date of the software. Failure of the Contractor to apply a restricted rights legend to such computer software shall relieve the District of liability with respect to such unmarked software.

I.7.11 In addition to the rights granted in Section I.7.9 above, the Contractor hereby grants to the District a nonexclusive, paid-up license throughout the world, of the same scope as restricted rights set forth in Section I.7.9 above, under any copyright owned by the Contractor, in any work of authorship prepared for or acquired by the District under this Contract. Unless written approval of the Contracting Officer is obtained, the Contractor shall not include in technical data or computer software prepared for or acquired by the District under this Contract any works of authorship in which copyright is not owned by the Contractor without acquiring for the District any rights necessary to perfect a copyright license of the scope specified in the first sentence of this paragraph.

I.7.12 Whenever any data, including computer software, are to be obtained from a subcontractor under this Contract, the Contractor shall use Section, I.7, Rights in Data, and Sections I.8 and I.9 in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District’s or the Contractor’s rights in that subcontractor data or computer software which is required for the District.

- I.7.13** For all computer software furnished to the District with the rights specified in Section I.7.6, the Contractor shall furnish to the District, a copy of the source code with such rights of the scope specified in Section I.7. For all computer software furnished to the District with the restricted rights specified in Section I.7.9, the District, if the Contractor, either directly or through a successor or affiliate, shall cease to provide the maintenance or warranty services provided the District under this Contract or any paid-up maintenance agreement, or if Contractor should be declared bankrupt or insolvent by a court of competent jurisdiction, shall have the right to obtain, for its own and sole use only, a single copy of the then-current version of the source code supplied under this Contract, and a single copy of the documentation associated therewith, upon payment to the person in control of the source code the reasonable cost of making each copy.
- I.7.14** Notwithstanding any additional indemnification provisions contained in this Contract, the Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this Contract, or (ii) based upon any data furnished under this Contract, or based upon libelous or other unlawful matter contained in such data.
- I.7.15** Nothing contained in this Section shall imply a license to the District under any patent, or be construed as affecting the scope of any license or other right otherwise granted to the District under any patent.
- I.7.16** Section I.7 is not applicable to material furnished to the Contractor by the District and incorporated in the work furnished under contract, provided that such incorporated material is identified by the Contractor at the time of delivery of such work.
- I.8** **Proprietary/Sensitive Materials and Information**
- Any logos, trademarks, databases, copyrighted material or material eligible for copyright, physical equipment, computer software purchased or developed with SETF funds or other District funds, surveys, survey results, program designs, and any Contractor work product determined by the District to be necessary to the success of DCSEU programs will be the property of the District and used only with the permission of the District through DOEE. The District shall have access to this data and materials during the term of this Contract and the Contractor shall transfer such items to the winning Offeror of a future DCSEU contract RFP. District ownership rights may not be exclusive in the instance of materials, data or products that are purchased or developed with another entity sharing in the associated costs.
- I.9** **Ownership and Rights in Data for Data Generated by the IMT Consultant Agreement**

- I.9.1** Data generated by Contractor's performance under DOE Grant No. DE-EE0007063 and the IMT Consultant Agreement shall include the following categories of DOE Grant No. DE-EE0007063-related work product:
- 1) Data Visualizations;
 - 2) Summary, trend, comparative data;
 - 3) Work Plan for using DOE's Standard Energy Efficiency Data (SEED) platform in Contractor's programs;
 - 4) Documentation of lessons learned (may include word documents, powerpoint presentations, webinar/blog material or other media); and
 - 5) Detailed program design.
- I.9.2** For data generated by the Contractor under DOE Grant No. DE-EE0007063 and the IMT Consultant Agreement, the following applies:
- I.9.2.1** The parties acknowledge that the U.S. DOE and IMT, the DOE Grantee for DOE Grant No. DE-EE0007063, shall have rights in all data developed under the IMT Consultant Agreement and any copyrightable materials developed or acquired under the IMT Consultant Agreement as set forth in the terms and conditions of the DOE grant award. For purposes of the IMT Consultant Agreement, "data developed under the IMT Consultant Agreement and any copyrightable materials developed or acquired under the IMT Consultant Agreement" shall mean the deliverables required under the IMT Consultant Agreement.
- I.9.2.2** All intellectual property (including trademarks, service marks, copyrights and applications therefor) which were owned by or licensed to DOEE (hereinafter "DOEE Intellectual Property") prior to the IMT Consultant Agreement and used by Contractor to provide any services or prepare any deliverables under the IMT Consultant Agreement shall remain the property of the District. IMT shall not acquire any right, title or interest in any District Intellectual Property as a result of Contractor's performance under the IMT Consultant Agreement except as expressly provided herein. The District hereby grants to IMT and DOE a non-exclusive, nontransferable, irrevocable, perpetual, worldwide, royalty-free license to use District/DOEE Intellectual Property that is incorporated into any of the deliverables required under the IMT Consultant Agreement.
- I.9.2.3** The District shall retain ownership of any data that DOEE or Contractor has developed previously or that the District or Contractor develops separately other than under the IMT Consultant Agreement. To the extent such data is incorporated into deliverables required under the IMT Consultant Agreement, the District hereby grants to IMT and DOE a non-exclusive, nontransferable, irrevocable, perpetual, worldwide, royalty-free license to use such data as incorporated into the deliverables. However, neither IMT nor DOE shall acquire any ownership rights to any such data held or developed by DOEE.

I.9.2.4 The District shall retain rights in all data developed under the IMT Consultant Agreement by Contractor and shall retain ownership of any copyrightable materials developed or acquired under the IMT Consultant Agreement by Contractor. The District hereby grants to IMT and DOE a non-exclusive, nontransferable, irrevocable, perpetual, worldwide, royalty-free license to use data developed under the IMT Consultant Agreement and any copyrightable materials developed or acquired under the IMT Consultant Agreement, as such clause is defined in Section I.9.2.1 above.

I.9.2.5 The following acknowledgement and disclaimer shall be included in any publications arising out of, or relating to, work performed under DOE Grant No. DE-EE0007063 or the IMT Consultant Agreement, whether copyrighted or not:

- 1) "Acknowledgment: This material is based upon work supported by the Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE), under Award Number DE- EE0007063."
- 2) "Disclaimer: This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

I.10 Other Contractors

The Contractor shall not commit or permit any act that will interfere with the performance of work by another District contractor or by any District employee.

I.11 Governing Law

This Contract, and any disputes arising out of or related to this Contract, shall be governed by, and construed in accordance with, the laws of the District of Columbia, disregarding any conflict of laws rules thereof. The District does not consent to service of process or the jurisdiction of any court outside the District.

I.12 Continuity of Services

I.12.1 The Contractor recognizes that the services provided under this Contract are vital to the District and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District or another contractor, at

the District's option, may continue to provide these services. To that end, the Contractor agrees to:

- 1) Furnish phase-out, phase-in (transition) training; and
- 2) Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

I.12.2 The Contractor shall, upon the CO's written notice:

- 1) Furnish phase-in, phase-out services for up to 90 days after this Contract expires; and
- 2) Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a training program, a date for transferring responsibilities for each division of work described in the plan, and the personnel, by positions and numbers, and shall be subject to the CO's approval.

I.12.3 The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

I.12.4 The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

I.12.5 Only in accordance with a modification issued by the Contracting Officer, the Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (non-at-risk fee) specified in this Contract

I.12.6 The transition to a new Contractor at the end of a contract term shall be performed in an organized and efficient manner with minimum disruption to participants of the Contractor's programs and initiatives, ICs, and the Contractor's programs and services. This transition process shall also apply in the event of termination of a Contractor's contract for performance failure. The Contractor shall provide notice to DOEE at least six months prior to any intent to terminate this Contract. In the event of termination of this Contract for performance failure, DOEE will give the contractor six months' notice.

I.13 **Cancellation Ceiling**

In the event of cancellation of this Contract because of non-appropriation for any subsequent fiscal years or any option years, there shall be a cancellation ceiling representing reasonable pre-production and other non-recurring costs, which would be applicable to the items or services being furnished and normally amortized over the life of the contract. The cancellation ceiling shall be subject to negotiation between DOEE and the Contractor.

I.14 Pre-Award Approval – Multi-Year Contracts

The award and enforceability of this Contract is contingent upon approval of the Council of the District of Columbia. In accordance with D.C. Official Code §1-204.51(c), the Council of the District of Columbia must approve an award of any contract that has term extending beyond twelve (12) months.

I.15 Fair Criminal Record Screening

I.15.1 The Contractor shall comply with the provisions of the Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152) (the “Act” as used in this section). This section applies to any employment, including employment on a temporary or contractual basis, where the physical location of the employment is in whole or substantial part within the District of Columbia.

I.15.2 Prior to making a conditional offer of employment, the Contractor shall not require an applicant for employment, or a person who has requested consideration for employment by the Contractor, to reveal or disclose an arrest or criminal accusation that is not then pending or did not result in a criminal conviction.

I.15.3 After making a conditional offer of employment, the Contractor may require an applicant to disclose or reveal a criminal conviction.

I.15.4 The Contractor may only withdraw a conditional offer of employment, or take adverse action against an applicant, for a legitimate business reason as described in the Act.

I.15.5 This section and the provisions of the Act shall not apply:

- 1) Where a federal or District law or regulation requires the consideration of an applicant’s criminal history for the purposes of employment;
- 2) To a position designated by the employer as part of a federal or District government program or obligation that is designed to encourage the employment of those with criminal histories;
- 3) To any facility or employer that provides programs, services, or direct care to, children, youth, or vulnerable adults; or

- 4) To employers that employ less than 11 employees.

I.15.6

A person claiming to be aggrieved by a violation of the Act may file an administrative complaint with the District of Columbia Office of Human Rights, and the Commission on Human Rights may impose monetary penalties against the Contractor.

I.16

Order of Precedence

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into this Contract by reference and made a part of this Contract in the following order of precedence:

- 1) Contract document
- 2) Standard Contract Provisions
- 3) Contract attachments other than the Standard Contract Provisions
- 4) RFP, as amended
- 5) BAFOs (in order of most recent to earliest)
- 6) Proposal

SECTION J: LIST OF ATTACHMENTS

The following list of attachments is incorporated into this Contract by reference:

Attachment Number	Document
J.1	Government of the District of Columbia Standard Contract Provisions for Use with the Supplies and Services Contracts (July 2010). Applicable sections specified in Section I.1.
J.2	U.S. Department of Labor Wage Determination No. 2015-4281 Revision No. 4, dated December 30, 2016
J.3	Titles I and II of the Clean and Affordable Energy Act of 2008 are codified in D.C. Code § 8-1773.01, <i>et seq.</i>
J.4	Living Wage Amendment Act of 2014, http://dcclims1.dccouncil.us/images/00001/20140115095046.pdf
J.5	Northeast Energy Efficiency Partnerships' ("NEEP") EM&V Forum, http://www.neep.org/initiatives/emv-forum
J.6	Energy Efficiency Financing Act of 2010 (B18-580) http://doee.dc.gov/sites/default/files/dc/sites/ddoe/publication/attachments/Amended%20Energy%20Efficiency%20Financing%20Act%20of%202010.pdf .
J.7	Way to Work Amendment Act of 2006 - Living Wage Notice, effective January 1, 2017 https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/OLLE%20Living%20Wage%20Notice%202017%20final%2011-17-16.pdf
J.8	Way to Work Amendment Act of 2006 – Fact Sheet, effective January 1, 2017 https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/OLLE%20Living%20Wage%202017%20Rate%20Notice.pdf
J.9	DC Language Access Act of 2004, Sample Contact Letter
J.10	Cost Reimbursement Ceiling – Examples of two scenarios
J.11	Vermont Energy Investment Corporation's Initial Technical and Price proposals, dated April 18, 2016
J.12	Vermont Energy Investment Corporation's Best and Final Offer, dated June 13, 2016

ATTACHMENT J.10 Cost Reimbursement Ceiling Examples

Table J.10.1: Maximum Cost-Reimbursement Ceiling and Minimum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$820,834	\$908,333	\$908,333	\$1,541,667
Cost-Reimbursement Ceiling	\$14,179,167	\$19,179,166	\$19,091,667	\$19,091,667	\$18,458,333

Table J.10.2: Minimum Cost-Reimbursement Ceiling and Maximum Withheld Funds

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$15,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$1,441,667	\$2,150,000	\$2,858,333	\$4,200,000
Cost-Reimbursement Ceiling	\$14,179,167	\$18,558,333	\$17,850,000	\$17,141,667	\$15,800,000

VERMONT ENERGY INVESTMENT CORPORATION

FRINGE BENEFIT ALLOCATION RATE

2017 Overview

In developing the method to be used for VEIC fringe benefit cost allocation and to ensure its consistency with acceptable accounting treatments, the following source documents were consulted:

PMC 400.2 U.S Department of Energy
DCAA Publication ICE model (Defense Contract Audit Agency)
OMB Uniform Guidance - allowable and non-allowable expense items

VEIC has determined the “Two Rate Method” that separates fringe benefit and other indirect costs provides greater understanding of the cost elements and drivers, along with the ongoing ability to reconcile actual vs. budgeted costs and rates.

Process:

For determining baseline fringe benefits costs the 2017 VEIC Board approved annual budget was used. To calculate the budgeted effective fringe rate the following steps were taken:

- A) Identified the elements of fringe, separated into two categories;
 - Fringe Pool (Employee Benefits paid by the employer)
 - Fringe Base (Total direct / indirect salary and wages)
- B) For each of these categories, we identified and segregated by:
 - General Ledger account number and name
 - Associated 2017 budgeted dollar values

VEIC Fringe Pool:

Examples of employee benefits provided and paid for by the employer are: FICA Tax, Health/Dental/Vision Insurance, Pension Contribution (company contributed), CTO (Combined Time Off), and various others.

See listing below for:

- Detail listing of General Ledger accounts.
- Account description and Dollar value.

The total of these expense categories creates the “Fringe Pool”

VEIC Fringe Base:

- Identification of applicable Salary and Wage General Ledger accounts.
- Budgeted Dollar values for total Direct and total Indirect salary and wages.

Computation of VEIC's 2017 Budgeted Fringe Rate:

1. Total in the Fringe Pool is the numerator.
2. Total in the Fringe Base is the denominator.
3. Resulting percent is the budgeted Fringe Rate to be applied to Labor Dollars.

Allocation of Fringe Rate:

The Fringe Rate will be applied to both Direct and Indirect Labor categories identified for each cost model supporting Government Grants and Awards Cost categories:

1. Direct Costs

Direct costs that can be identified and traced to a specific project, activity, program job, or contract. For program and job costing, the Direct Labor would be identified in the "Direct Labor Pool" and the Fringe Rate would be multiplied times the Direct Labor salary and wages, and inputted into a specific line classification on the budget schedule. In Budget Schedule SF-424A, it would be line 6B.

2. Indirect Costs

Indirect costs are the expenses that cannot be assigned or traced to a single project, activity, or program job, but are costs shared across multiple projects, activities, or jobs. Indirect Labor salaries and wages are identified as the "Indirect Labor Pool." As with the Direct Labor Pool, the Fringe Rate is applied to the dollar value identified as Indirect Labor.

WORK SHEET FOR CALCULATING THE VEIC 2017 FRINGE RATE

<u>Account Number</u>	<u>Description of Account</u>	<u>2017 Budget</u>
710.01	CTO (Vacation/Sick/Holiday)	\$2,869,206
720.01	FICA Tax	\$2,479,761
720.03	SUTA Tax	\$167,660
725.02	Healthcare Insurance	\$2,480,611
725.03	Dental Insurance	\$175,199
725.04	Vision Insurance	\$19,324
725.05	Life Insurance	\$20,002
725.06	Long Term Disability Insurance	\$59,757
725.07	Pension Contribution	\$1,455,334
Total Employee Fringe Benefits		\$9,726,856

Budgeted Direct Labor	\$22,099,064
Budgeted Indirect Labor	\$3,848,684
Total Fringe Base (Labor)	\$25,947,748

Total Employee Fringe Benefits	\$9,726,856
Total Fringe Base (Labor)	<u>\$25,947,748</u>
Fringe Allocation Rate (Total Employee Benefits/Total Fringe Base)	37.5%

VERMONT ENERGY INVESTMENT CORPORATION

COST METHODOLOGY FOR INDIRECT ALLOCATION RATE

2017 Overview

In determining the process for developing the methodology to be utilized in establishing the Indirect Allocation Rate and ensure its consistency with acceptable Federal accounting treatments, the following source documents were utilized:

PMC 400.2 U.S Department of Energy
DCAA Publication ICE model (Defense Contract Audit Agency)
OMB Uniform Guidance - allowable and non-allowable expense items

The VEIC determined the “Two Rate Method” provided the greater understanding of the cost elements and cost drivers along with the ability to provide quarterly/semi-annual analysis along with “trued up” annualized costs and associated rates.

Process:

For determining the costs we utilized the most current Board-approved annual budget (2017). This will reflect the historical activity plus the impact in the current year for planned financial activity to the expense categories. This will provide the base for determining the allowable costs, based on our reconciliations and “true up” with annualized comparisons.

Steps:

1. Identified the elements of Direct Costs and Indirect Costs, separated into two categories:
 - Total Direct Cost Pool (Costs identified and tracked to a single project)
 - Indirect Costs (costs/expenses that apply to more than one project)
2. For each of these categories, we identified and segregated by:
 - Identification of General Ledger account number
 - Identification of account description and name
 - Dollar value - most recent fiscal year adjusted for budgeted financial changes in 2017

3. Development of the Total Direct Cost Pool

These are the costs directly related to a single program, job or activity. These costs must be directly identified and traceable to a “single” project, program, function, or activity. They also have a specific General Ledger account. Examples of these costs would be: Direct Labor, Direct Materials, Equipment, Subcontracting, Supplies, Other Direct Costs (ODCs), and various others.

See attached schedule for detail listing of General Ledger account, account description, and dollar value.

The total of these expense categories creates the “Total Direct Cost Pool.” A review is performed, using the source documents listed above, to identify any non-allowable Direct Costs and remove them from the Total Direct Cost Pool.

4. Development of the Indirect Cost Pool

Indirect costs are those expenses that cannot be directly identified and tracked to a specific project, program, or job. Indirect costs support multiple programs, projects, activities, and jobs. Indirect costs that would be included in the Indirect Cost Pool are typically referred to as “back office” support. Prior to a review for non-allowable costs, these costs include indirect labor, the associated fringe, utilities, rent, phone, internet, legal fees, postage, depreciation, repairs, maintenance, indirect subcontract, IT, office supplies, and various others.

5. For each of these categories we identified and segregated by:

- General Ledger account number
- Account name
- Dollar value for the specific indirect costs

See attached schedule for the detail listing of General Ledger account number, account name and dollar value.

6. A detailed review is performed using the source documents listed above, to identify any non-allowable indirect costs. These items are subtracted from the total Indirect Pool.

7. The resulting net dollar value represents the “Indirect Cost Pool,” which would be allocated to the specific projects based on the Allocation Rate identified on the attached schedule.

Non-Allowable Costs:

Examples of non-allowable costs as referenced in the OMB Uniform Guidance, which has a detailed breakdown, need to be referenced for the specific instances of:

- Advertising (unless directly related to the grant or award)
- Bad debt
- Entertainment
- Lobbying services
- Donated goods or space
- Fundraising costs
- Loss on contracts/awards
- Insurance against defects or workmanship
- Costs incurred prior to the grant start date
- Legal cost of defending a lawsuit brought by the Government and you are found liable

Factors Affecting the Allowability of Costs per OMB Uniform Guidance – Costs must:

- Be reasonable for the performance of the award and be allocable
- Conform to any limitations or exclusions
- Be consistent with policies and procedures that apply uniformly
- Be accorded consistent treatment
- Be in accordance with generally accepted accounting principles (GAAP)
- Not to be included as a cost or used in cost sharing for any other awarded Federal program.

Computation of the Indirect Allocation Rate:

Total in the Indirect Pool (net of non-allowable) is the numerator.

Total in the Direct and Non-Recoverable Cost Pool is the denominator.

Divided percent is the Indirect Allocation Rate.

The Indirect Allocation Rate will then be applied to the total Direct and Non-Recoverable Costs each month in order to determine the indirect dollars to be added to the spending on the project.

For budgeting in support of awarded contracts and using SF-424A, first complete and input all spending to the individual tabs on the Government Document. Tabs A thru I are the direct spending categories. On Tab H, Indirect Costs, input the approved Allocation Rate on the Line “Rate Applied” for columns D, E, and F under Budget period. The schedule will automatically compute the associated indirect costs, place it in the spend column on the Tab, and also in the Summary Tab area labeled- “Indirect Spending”

Check the box Approved Allocation Rate, as this is the rate approved by DOE. If the rate is not approved, then attach the methodology used and the specific calculations in support of the rate. If there was an audit performed on the methodology at the request of DOE, provide the audit report summary findings in support of the rates being used.

WORK SHEET FOR CALCULATING INDIRECT ALLOCATION RATE

Account Number	Account Description	2017 Budget
700.01	Indirect Labor	\$3,848,684
798.00	Fringe on Indirect Labor	\$1,443,256
Total Indirect Labor Costs		\$5,291,940

Account Number	Account Description	2017 Budget
704.02	Subcontractors	\$476,423
726.01	Benefits Admin	\$29,252
726.02	Retirement Plan Admin	\$95,875
727.00	Recruitment – HR	\$80,000
730.01	Occupancy	\$308,946
731.02	Telephone	\$65,700
732.00	Internet	\$38,972
736.01	Copy/Print	\$24,918
737.01	Materials	\$2,000
738.01	Office Supplies	\$6,000
740.00	Equipment & Software	\$34,500
740.01	Equipment Rental	\$20,400
741.01	Equipment & Software Repairs/Maintenance	\$178,809
750.00	Legal	\$60,204
751.00	Accounting/Audit/Tax	\$50,000
755.00	Interest Expense	\$12,730
755.01	Professional Liability Insurance	\$90,825
755.02	D&O Insurance	\$41,543
755.05	Insurance – Other	\$87,398

760.10	Travel – Air	\$65,100
760.12	Travel – Other	\$40,600
760.20	Lodging	\$5,100
760.30	Meals	\$16,300
762.01	Education & Seminars	\$118,396
765.00	Dues & Subscriptions	\$34,640
770.01	Depreciation Expenses	\$436,847
Total Other Indirect Costs		\$2,421,478

TOTAL INDIRECT COST POOL **\$7,713,418**

Calculations for Direct Cost Pool

Total Labor Dollars (Salary/Wages) Budgeted	\$25,947,748
Less Indirect Labor Dollars (Salary/Wages)	(\$3,848,684)
Total Direct Labor Dollars	\$22,099,064
Direct Labor Fringe @ 37.5%	\$8,287,149
Total Direct Personnel Costs	\$30,386,213

Other Direct Costs

Efficiency Vermont	\$37,888,631
Efficiency Smart Ohio	\$1,185,227
DC SEU	\$9,996,714
Targeted Implementation	\$90,107
Consulting	\$1,004,373
Transportation	\$341,720
Non-Recoverable	\$1,661,775
Total Other Direct Costs	\$52,168,548

General and Administrative Costs Methodology

The purpose of this Methodology for Determining General and Administrative Costs is to develop mutually agreed to guidelines for distinguishing between direct program costs and general and administrative costs incurred by Vermont Energy Investment Corporation (VEIC), the prime contractor responsible for all programs and activities implemented by the District of Columbia Sustainable Energy Utility (DCSEU) under Contract No. DOEE-2016-C-0002 (“DCSEU Contract”). This methodology will be utilized by VEIC to track and report direct and administrative costs related to the DCSEU Contract. The approved final draft of this methodology will be reviewed on a periodic basis to determine if any changes are necessary.

Section I: Definitions

- A. **“General and Administrative Costs”** or **“G&A”** are costs which support multiple programs, projects and activities of the overall operation of the DCSEU and are not attributable to a specific program. These costs are typically referred to as “back-office” costs.
- B. **“Allowable Costs”** or **“Reimbursable Costs”** are costs that are both reasonable and necessary in fulfilling the stated and contractual obligations of a contract or award.
- C. **“Non-allowable Costs”** or **“Non-reimbursable Costs”** are costs that are not reasonable and necessary in fulfilling the stated contractual obligations of a contract or award.
- D. **“Direct costs”** are costs directly related to a single program, project or activity.
- E. **“Reasonable Costs”** are costs that, by both nature and amount, do not exceed those that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Section II: Source Documents Reviewed

To develop a thorough methodology for establishing general and administrative costs and ensure that these costs are consistent with federal treatment of costs and generally accepted accounting principles (GAAP), we reviewed the following source documents:

- Office of Management and Budget (OMB) Uniform Guidance - allowable and non-allowable expense items
- Various Financial Accounting Standards Board documents
- Various American Institute of Certified Public Accountants pronouncements

All source documents listed above describes allowable costs which are both reasonable and necessary in fulfilling the stated and contractual obligations of a contract or award.

Key Factors in determining allowable costs are:

- Must be defined as allowable under the OMB guidelines.
 - DCSEU must provide a distinct reference to a specific location in the guidance document.
- Must be treated consistently.
 - The cost must be treated the same across all contracts and applied the same to all via allocation rates.
- Must have equal benefit and value to all contracts.
 - The value of the expenditure and the associated benefit must be equally realizable by all federal, state and local awards.
- Must be both reasonable and necessary costs.
 - The costs must be at a fair equitable value and necessary in ensuring the delivery of federal, state and local contractual obligations.

Pursuant to OMB guidelines, key factors in determining reasonableness of a given cost:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the DCSEU.
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; and terms and conditions of the contract.
- Market prices for comparable goods and services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the DCSEU, its employees, the public at large, and the District government.
- Whether the DCSEU significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the contract cost.

Section III: Development of the Total Direct Cost Program Expense Group

Direct costs are costs directly related to a single program, project or activity. These costs are identified and traceable with a high degree of accuracy to a "single" project, program (such as a residential energy efficiency program), function, or activity via the project code (see attachment A) and general ledger account numbers (see attachment B). Examples of these costs include, but are not limited to direct labor, direct fringe, direct materials, equipment, subcontractors, incentives, supplies, other direct costs (ODCs), training, and travel related to program operation and delivery. Training provided which helps in the development of a skillset to improve the program operation and delivery is tracked as direct costs.

The total of these expense categories creates the "Total Direct Cost Program Expense Group." VEIC conducts a periodic review using the source documents and the "DCSEU OMB Guidance" (see attachment C) to ensure costs are being identified and modified

based on any changes within the federal regulations, VEIC policies and the awarded or modified contract. As these changes occur DCSEU will schedule a meeting with DOEE to discuss and update the mutually agreed to general and administrative costs methodology, as necessary.

Section IV: Development of the General and Administrative Expense Group

General and Administrative Costs or “G&A” are costs which supports multiple programs, projects and activities of the overall operation of the DCSEU and are not attributable to a specific program. These costs are typically referred to as “back-office” costs. These costs are identified and traceable via project codes (see attachment A) and general ledger account numbers (see attachment B). Examples of these costs include, but are not limited to G&A labor (such as Managing Director, Director of Operations), the associated fringe, utilities, rent, phone, internet, postage, depreciation, repairs, maintenance, subcontractors, travel, memberships, sponsorships, equipment, software, parking, storage fees, materials, IT, office supplies, training, and all indirect costs for specific programs, functions, and/or departments such as Finance, Legal, Facilities, Human Resources Information Technology, etc.; G&A costs shall include all indirect costs associated with VEIC’s approved “indirect rate” charges. Training provided to employees which is generic in nature and benefits multiple programs is recorded as G&A costs. For example, customer service and time management are all examples of trainings that could be applied to multiple programs and activities.

The total of these expense categories creates “The General and Administrative Expense Group”. VEIC conducts a periodic review using the source documents “Cost Recovery & Control” along with the “DCSEU OMB Guidance” to ensure costs are being identified and modified based on any changes within the federal regulations, VEIC policies and the awarded or modified contract. As these changes occur DCSEU will schedule a meeting with DOEE to discuss and update the mutually agreed to general and administrative costs methodology, as necessary.

Section V: Direct versus General Administrative Costs

The determination of direct versus general administrative costs is based on the association of costs to a single program or support of the overall DCSEU operation. The factors and guidance used are consistent in the development of both the direct or G&A billable costs. Each cost category bills and reports the costs as incurred and burdened representing total direct program and G&A spending. Identification with the specific program rather than the nature of the goods and services involved is the determining factor in distinguishing direct costs from G&A costs.

Example:

Customer Support Services have both direct costs and G&A costs that can be directly assigned to such activities relatively easily with a high degree of accuracy. If the Customer Support Division receives requests from a specific program (e.g., Appliance Rebate Program) to directly support the launch of a new rebate program by providing

customer contact (outbound calling), etc. specific to this program, these costs are direct costs due to the support of a specific program and are in accordance with OMB guidance (see guidance above).

If the Customer Support Division provides overall customer support activities for the DCSEU by developing and responding to customer inquiries and promoting the DCSEU and its program offerings, these costs are G&A costs as they do not directly support a specific program.

Section VI: Allowable G&A Costs

There is no universal rule for classifying certain costs as either direct or G&A costs under every accounting system. Allowable G&A costs must be:

- Reasonable for the performance of the contract.
- Conform to any limitations or exclusions in the contract.
- Be consistent with policies and procedures that apply uniformly.
- Be accorded consistent with Generally Accepted Accounting Principles (GAAP)

For the period starting April 5, 2017, and ending September 30, 2021, General and Administrative Costs, which includes all indirect costs and the non-at-risk Fixed Fee, shall not exceed 20% annually of the Cost reimbursement Ceiling, as defined in Section B.8.1.1 of the DCSEU Contract between VEIC and DOEE. General and Administrative Costs in excess of 20% of the Cost reimbursement Ceiling, shall not be invoiced or payable for any given year of the contract unless the DCSEU is granted prior written approval from DOEE to exceed this limit.

Example:

If the Cost Reimbursement Ceiling for a given fiscal year is \$19.179 million, the General and Administrative Costs (including all indirect costs) and the Fixed Fee for that fiscal year shall not exceed \$3.835 million, if the DCSEU/VEIC incurred reimbursable costs, including the General and Administrative Costs and the Fixed Fee, totaling \$19.179 million in that fiscal year.

Section VII: Non-Allowable Costs per OMB Uniform Guidance:

Non-Allowable or Disallowed Costs are charges to the DCSEU Contract that are determined to be unallowable in accordance with applicable District and federal regulations or the terms and conditions of the DCSEU Contract. Examples of non-allowable costs as referenced in the OMB Uniform Guidance, which has a detailed breakdown are the following:

- Advertising (unless directly related to the contract or award)
- Bad debt
- Entertainment

- Lobbying services
- Donated goods or space
- Fundraising costs
- Loss on contracts/awards Insurance against defects or workmanship
- Costs incurred prior to the Contract/grant start date
- Legal cost of defending a lawsuit brought by the Government and you are found liable

Section VIII: Process for Identifying Cost and Reporting Structure

The DCSEU develops operating and program delivery budgets based on the annual contract budget approved by DOEE. The program teams identify resources and budget needs to implement and deliver their programs. During budget development project codes are reviewed, created or modified based on program needs. The budget, program delivery and project code review process provides the basis for determining the allowable and billable costs for each program compared to the total contract spending costs.

Process Steps:

1. Identify the elements of the DCSEU operational budget by separating them into two categories:
 - a. Total Direct Cost Expense Categories (costs identified and tracked to a single project or activity)
 - b. General & Administrative Costs (costs that apply to more than one project or activity)
2. Review projects codes to determine if new codes are required to accurately track and report program expenditures.
3. Update financial databases and procedural documents to reflect changes.
4. Discuss changes and provide updated operational budget to DOEE.
5. Conduct a periodic review of OMB guidelines and federal regulations for modifications to established rules for classifying certain costs as either direct or G&A costs.

Total Direct Cost Pool	\$82,554,761
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Calculation of Indirect Rate

Total Indirect Cost Pool	\$7,713,418
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Total Direct Cost Pool	<u>\$82,554,761</u>
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Indirect Allocation Rate	9.3%
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