County of Los Angeles
INTERNAL SERVICES DEPARTMENT
1100 North Eastern Avenue
Los Angeles, California 90063

TOM TINDALL
Director

Telephone: (323) 267-2101
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"To enrich lives through effective and caring service"

April 30, 2013

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 April 30, 2013

SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE CALIFORNIA ENERGY COMMISSION SUB-RECIPIENT AGREEMENT WITH SANTA BARBARA COUNTY (3 VOTES) (ALL DISTRICTS)

SUBJECT

Request approval for the Internal Services Department (ISD) to negotiate and enter into a Sub-Recipient Agreement with Santa Barbara County to administer a regional financing program under the existing intergovernmental contract between the County and the California Energy Commission (CEC).

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of ISD or his designee to execute a Sub-Recipient Agreement with Santa Barbara County in the amount of $1.55 million, in a form substantially similar to Attachment 1.

2. Delegate authority to the Director of ISD or his designee to approve any required time extensions, modifications, or amendments to the Sub-Recipient Agreement, and execute all required documents with the sub-recipient.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 15, 2010, your Board authorized ISD to negotiate and enter into a contract with the CEC to implement a comprehensive energy efficiency retrofit program, Energy Upgrade California (EUC).

On March 6, 2012, your Board approved Amendment 3 to the CEC agreement with Los Angeles County to provide funding for various financing programs to support EUC. The

programs included loan loss reserves for private residential and multifamily financing programs, debt service reserves for non-residential Property Assessed Clean Energy (PACE) liens, and revolving loan funds for training and certification costs undertaken by EUC contractors. The CEC identified that a portion of this funding may be used to help other agencies' EUC financing programs expand their geographic reach.

In February 2013, the CEC notified Los Angeles County to provide sub-recipient funding of $1.55 million to Santa Barbara County to expand Santa Barbara County's EUC financing program, which will also serve Ventura and San Luis Obispo Counties. The proposed Sub-Recipient Agreement will memorialize Los Angeles County's lead role, clarify that CEC contract terms, conditions, and other requirements "flow down" to the sub-recipients, and identify additional responsibilities of the sub-recipient.

Implementation of Strategic Plan Goals

These actions support Goal 1, Operational Effectiveness, by implementing measures to manage external funding which promotes environmentally responsible practices.

FISCAL IMPACT/FINANCING

Since 2010, the CEC has provided a total of $20.2 million to Los Angeles County and its sub-recipients. Los Angeles County has the role of prime contractor for the funding, and acts as lead agency for the CEC, including submitting contract progress reports, payment requests, and other documentation. ISD has responsibility for these functions, and is compensated for administrative costs to manage the contract, coordinate with sub-recipients and help implement contract funded programs.

As part of the $20.2 million in total CEC funding, on March 6, 2012, your Board approved Amendment 3, whereby the CEC provided $8 million to Los Angeles County and its sub-recipients. Of this amount, the CEC has allocated $1.55 million for Santa Barbara County. This amount is included in the Los Angeles County Utilities Budget for FY 2012-13 and FY 2013-14.

There will be no impact to the Los Angeles County General Fund. Requests for future fiscal year activities will be submitted with the annual Utilities Budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Including Amendments 1 – 4, the CEC has provided a total of $20.2 million to Los Angeles County and its sub-recipients since 2010 as detailed below.

On April 22, 2010, the CEC notified ISD of its intent to award an intergovernmental contract for $8 million to Los Angeles County to expand EUC marketing, education, outreach, and workforce development activities to other cities within Los Angeles County. On June 10, 2010, your Board delegated authority to ISD to execute documents, approve time extensions and modifications, etc., for the contract with the CEC.

Amendment 1: In July 2011, the CEC provided an additional $1.2 million to develop more comprehensive marketing efforts in cities throughout Los Angeles County via collaboration with the Councils of Governments and directly with local governments. These funds also

supported workforce development efforts, including expanding contractor scholarships and a revolving loan fund for EUC contractors for training, etc.

Amendment 2: In April 2012, the CEC reallocated funds within the existing budget.

Amendment 3: On March 6, 2012, your Board approved receiving up to $8 million from the CEC for the County building energy revolving fund program, and various financing programs throughout the State in support of EUC, including loan loss reserve programs for private residential and multifamily financing programs, debt service reserves for non-residential PACE liens, and a revolving loan fund for training and certification costs for qualified EUC contractors.

Amendment 4: On April 17, 2012, your Board approved receiving up to $5 million from the CEC for the County building energy revolving fund program. Ultimately, the CEC funded $3 million for this amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these actions will facilitate widespread implementation of EUC to reduce greenhouse gases, reduce total energy use and improve energy efficiency throughout the region. Use of these additional funds will help in expanding EUC and similar programs throughout the State, and will help the State achieve its goal of creating substantial, sustainable, and measurable energy savings, green jobs and economic stimulus benefits.

CONCLUSION

The Executive Office of the Board of Supervisors is requested to return one copy of the approved Board letter to the Director of ISD.

Respectfully submitted,

Tom Tindall

TOM TINDALL
Director

TT:HC:AR

Enclosures

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel

California Energy Commission
Sub-Recipient Agreement

This Sub-Recipient Agreement is made and entered into as of the Effective Date by and between the County of Los Angeles, a political subdivision of the State of California ("County") and Santa Barbara County ("Sub-Recipient").

RECITALS

R1. Statutory Framework. On July 21, 2008, Assembly Bill No. 811 was signed into law as California *Streets and Highways Code* sections 5898.12 (amended), 5898.14 (added), 5898.20 (amended), 5898.21 (added), 5898.22 (amended), and 5898.30 (amended)AB 811 authorizes California cities and counties to designate areas within which willing property owners can enter into contractual assessments to finance certain renewable energy and energy efficiency improvements through low-interest loans that would be paid as an item on the property owner's property tax bill;

R2. County Grant Application. Per AB 811, on December 2009, the County submitted a grant application package to the California Energy Commission (CEC) for the competitive State Energy Program grant program (RFP # 400-09-403), The application requested $12 million to implement a comprehensive energy efficiency retrofit program Energy Upgrade California in Los Angeles County (EUCLA) Countywide. Under the CEC's evaluation process for this competitive grant, The County was notified that this application would not be funded. Subsequently, in March 2010, the County Intergovernmental Relations Office staff in Sacramento met with CEC to discuss the County's program, application and the CEC evaluation;

R3. Initial Funding. On April 2010 the County was notified by the CEC of its intention to award an intergovernmental contract through the Department of General Services to the County in the amount of $8 million;

R4. Funding Agreement. On June 30, 2010 the County executed CEC standard agreement #400-09-024 (the "Funding Agreement") for funding to be used to ensure:

a. region-wide consistency of program roll-out,

b. consistency with state policy directives, and

c. dissemination of best practices and program models throughout the cities located within the County;

R5. Amendment One. In July 2011, CEC proposed to provide additional funding in the amount of $1.2 million and amended the Funding Agreement to support the

EUCLA program by developing more comprehensive marketing efforts into cities throughout the County through collaboration with the Council of Governments and directly with local government;

R6. Amendment Two. Amendment Two to the Funding Agreement, effective April 4, 2012 reallocated funds within the existing budget.

R7. Amendment Three. In March 2012, CEC proposed to provide $8 million in additional funding for various finance programs in support of EUCLA. Amendment Three to the Funding Agreement provides up to $8 million in funding and extends the agreement term by five years to March 31, 2017;

R8. Amendment Four. Amendment Four to the Funding Agreement, effective as of April 17, 2012, provides up to $5 million in funding for the County building energy revolving fund program;

R9. Financing Programs. Amendment Three and Amendment Four provide for various financing programs in support of EUCLA, including Loan Los Reserve programs for private residential and multifamily financing programs, debt service reserves for non-residential PACE liens, and similar revolving loan fund for training and certification costs undertake by EUCLA contractors, and for the County building energy revolving fund program;

R10. This Sub-Recipient Agreement. Now, in compliance with CEC requirements for an agreement between the County and all sub-contractors, the County and this Sub-Recipient desire to establish and/or acknowledge the governing rules, regulations, terms and conditions for Sub-Recipient's participation in the programs under the Funding Agreement.

NOW THEREFORE, based upon the foregoing recitals, the County and Sub-Recipient further agree as follows:

1.0 APPLICABLE DOCUMENTS

1.1 This base document, along with the Funding Agreement documents listed below, collectively form, and are referred to as, the "Sub-Recipient Agreement." The following are attached hereto and incorporated herein by this reference:

1.1.1 Scope of Work for EmPowerSBC

1.1.2 Statement of Work (SOW) for Contract #400-09-024

1.1.3 Budget for EmPowerSBC

1.1.4 General Terms and Conditions for all Contracts Except Interagency Agreements

1.1.5	Special Terms and Conditions	
1.1.6	Attachment A-2 Waste Management Plan Guidance	
1.1.7	Attachment A-3 Waste Management Plan Form	
1.1.8	Exhibit E	A-1_400-09-024
1.1.9	Exhibit E	A-2_400-09-024
1.1.10	Exhibit E	A-3_400-09-024
1.1.11	Exhibit E	A-4_400-09-024
1.1.12	Exhibit E	A-5_400-09-024
1.1.13	Exhibit E	A-6_400-09-024
1.1.14	Exhibit E	A-7_400-09-024
1.1.15	Exhibit F	400-09-024

1.2 This Sub-Recipient Agreement is the complete and exclusive statement of understanding between County and the Sub-Recipient, and supersedes any all previous understandings or agreements, whether written or oral, and all communications between the parties relating to the subject matter of this Sub-Recipient Agreement.

2.0 DEFINITIONS

The terms and phrases in this Section 2.0, in quotes and with initial letter(s) capitalized, shall have the meanings whenever used in this base document.

2.1 "Funding Agreement" is the agreement referenced in Recital R4, between CEC and County, standard agreement #400-09-024, and consists of the documents itemized in Section 1.1.

2.3 "Holdback" is defined in section 4.3

2.4 "Maximum Sub-Award Sum" is defined in section 4.1.

3.0 TERM OF AGREEMENT

This Sub-Recipient Agreement shall commence upon execution by Contractor and Sub Recipients and continue through March 31, 2017.

4.0 MAXIMUM SUB-AWARD SUM

4.1 Subject to the terms and conditions of this Sub-Recipient Agreement, the maximum sub-award sum to be funded by the CEC and disbursed through the County to Sub-Recipient shall be up to one million five hundred fifty five thousand dollars (US$1,550,000) (the "Maximum Sub-Award Sum").

4.2 The Maximum Sub-Award Sum is inclusive of Sub-Recipient's administrative costs and expenses, the aggregate of which shall not exceed ten percent (10%) of the Maximum Sub-Award Sum.

4.3 Sub-Recipient understands and agrees that the County may retain a holdback from disbursement of up to ten percent (10%) of the Maximum Sub-Award Sum as security against disallowances pending final award approval by DOE (the "Holdback").

5.0 COUNTY OBLIGATIONS

County shall administer the Funding Agreement and disburse CEC funds as required or permitted. Notwithstanding any provision of this Sub-Recipient Agreement to the contrary, whether expressly or by implication, the County is not obligated to disburse any funds to Sub-Recipient unless and until such are authorized and disbursed from CEC to County.

6.0-A SUB-RECIPIENT OBLIGATIONS

6.1 Scope of Work. Sub-Recipient warrants and represents that it will comply with all tasks and deliverables described in Exhibit 1 (Scope of Work) to the Funding Agreement. That Exhibit 1 is hereinafter referred to as the "Scope of Work."

6.2 Program Advisory Committee/PAC. Sub-Recipient shall comply with Task 1.9 of the Scope of Work. Without limiting the foregoing, Sub-Recipient shall assist in establishing and be an active member of a regional Program Advisory Committee ("PAC") to coordinate the County's comprehensive residential retrofit efforts. Sub-Recipient's involvement includes, but is not limited to, establishing local committees to facilitate good communication and to help ensure buy-in at the local level.

6.3 Program Management: Implementation Plan & Risk Management. Sub-Recipient shall comply with the Scope of Work. Without limiting the foregoing, Sub-Recipient shall establish a frame work for identifying and implementing early program objective and strategies. This includes, but is not limited to:

(1) engaging its local committees to identify priorities to ensure that they are included within the regional framework; and

(2) managing and mitigating risks that affect program performance and successful outcome.

Sub-Recipient understands, acknowledges, and accepts that the fundamental risk is that the funding awarded for this program will not be expended and will have to be returned to the federal government for failure to recruit the participants required to enable the large number of retrofit installations that are the objective of the program.

6.6 SUB-RECIPIENT WARRANTIES & REPRESENTATIONS

Sub-Recipient warrants and represents as follows:

6.6.1 Sub-Recipient is, and at all times shall continue to be, in full compliance with the terms and conditions in the Standard Agreement. Sub-Recipient understands and agrees that for purposes of the foregoing, any requirements imposed upon County as "Recipient[s]" in the Standard Agreement are hereby passed-through and adopted as obligations of Sub-Recipient to the maximum extent allowable by law.

6.6.2 Without limiting the foregoing 6.1.1, Sub-Recipient shall strictly comply with the scope of any and all authorizations, limitations, exclusions, and/or exceptions for use of CEC funds; and

6.6.3 Without limiting the foregoing 6.1.1, Sub-Recipient shall submit timely reports to County and/or CEC as required by CEC, including but not limited to progress reports (monthly, quarterly, annual, and as required), special status reports, financial reporting, and property certification.

6.6.4 Sub-Recipient shall not cause the County to be in violation of the Standard Agreement, whether by act or omission.

6.6.5 Sub-Recipient shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, now existing and as such may change from time-to-time. Any such laws, rules, regulations, ordinances, and directives required thereby to be included in this Sub-Recipient Agreement are incorporated herein by reference.

7.0 INDEMNIFICATION & INELIGIBLE CLAIMS

7.1 Notwithstanding any provision to the contrary, whether expressly or by implication, Sub-Recipient agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability resulting from Sub-Recipient's act(s)

and/or omission(s) arising from and/or relating to the Standard Agreement and/or this Agreement, and as such would be imposed in the absence of *Government Code* section 895.2.

7.2 Without limiting the scope of section 7.1, such liability includes but is not limited to the following: any funding disallowance; audits; demands; claims; actions; liabilities; damages; fines; fees, costs, and expenses, including attorney, auditor, and/or expert witness fees.

7.3 Sub-Recipient understands and agrees that it is solely responsible for any and all its amounts found by the DOE to be ineligible under the Award Agreement. Immediately upon request by DOE or County, the Sub-Recipient shall return any funds that have been disbursed to the extent that their use has been disallowed.

8.0 TERMINATION FOR CONVENIENCE

The County may terminate this Sub-Recipient Agreement, in whole or in part, when the County, in its sole discretion, deems it to be in its best interest.

9.0 TERMINATION FOR DEFAULT

9.1 The County may, by written notice to Sub-Recipient, terminate this Sub-Recipient Agreement, in whole or in part, as follows:

9.1.1 Upon instruction and/or demand from the DOE;

9.1.2 If Sub-Recipient materially breaches this Sub-Recipient Agreement;

9.1.3 If Sub-Recipient fails to timely or satisfactorily perform any obligation under this Sub-Recipient Agreement and fails to cure; or

9.1.4 If Sub-Recipient fails to demonstrate a high probability of timely fulfillment of its obligations under this Sub-Recipient Agreement and fails to cure.

9.2 If the County issues written notice under sections 9.1.3 or 9.1.4, Sub-Recipient must cure or demonstrate convincing progress toward a cure within five (5) calendar days (or such longer period as the County may authorize in writing) after receipt of written notice from the County.

9.3 The County's Principal Investigator is authorized to make and service any notice under sections 8.0 and/or 9.1.

9.4 The rights and remedies of the County provided in this Section 9.0 are not exclusive, and are in addition to any other rights and remedies provided under this Sub-Recipient Agreement and/or by law.

10.0 NOTICES & ADMINISTRATIVE CONTACTS

10.1 All notices or notifications under this Sub-Recipient Agreement shall be in writing addressed to the persons set forth in this section 10.0

10.2 All notices or notifications to the County shall be sent to:

Ana Rosales
Los Angeles County – Internal Services Department
1100 N. Eastern Avenue, Executive Suite 200
Los Angeles, CA 90063-3200
aerosales@isd.lacounty.gov

10.3 All notices or notifications to the Sub-Recipient shall be sent to:

Angela Hacker
County of Santa Barbara
Community Services Department
105 East Anapamu, Suite 105
Santa Barbara, CA 93101
ahacker@co.santa-barbara.ca.us

11.0 AMENDMENTS & CHANGES

This Sub-Recipient Agreement may be changed only by a written amendment duly authorized and signed by the County and Sub-Recipient. Notwithstanding the foregoing, any changes to the Standard Agreement imposed by CEE, as well as any amended terms and conditions of the Funding Agreement, shall be effective and binding upon Sub-Recipient immediately and without any amendment hereto.

12.0 ASSIGNMENT AND DELEGATION

Sub-Recipient shall not assign its rights or delegate its duties under this Sub-Recipient Agreement. Any attempted assignment or delegation shall be null and void, and constitute a material breach of this Sub-Recipient Agreement.

13.0 GOVERNING LAW AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California. Sub-Recipient further agrees and consents that the venue of any action brought between Sub-Recipient and County shall be exclusively in Los Angeles.

14.0 VALIDITY AND SEVERABILITY

If any provision of this Sub-Recipient Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Sub-Recipient Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

15.0 NO WAIVER

No waiver by the County of any event of breach and/or breach of any provision of this Sub-Recipient Agreement shall constitute a waiver of any other event of breach and/or breach. The County's non-enforce at any time, or from time to time, of any provision of this Sub-Recipient Agreement shall not be construed as a waiver thereof.

16.0 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

16.1 Sub-Recipient shall maintain accurate and complete financial records of its activities and operations relating to this Sub-Recipient Agreement in accordance with the Award Agreement and generally accepted accounting principles.

16.2 Sub-Recipient agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Sub-Recipient Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Sub-Recipient and shall be made available to the County during the term of this Sub-Recipient Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time.

16.3 All such material shall be maintained by the Sub-Recipient at a location in Los Angeles County or shall provide all materials specified by the County to a location to be determined by the County. Sub-Recipient shall bear its own costs and expenses in this regard.

16.4 If an audit of the Sub-Recipient is conducted specifically regarding this Sub-Recipient Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Sub-Recipient or otherwise, then the Sub-Recipient shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Sub-Recipient's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Sub-Recipient Agreement.

16.5 Failure of Sub-Recipient to comply with this Section 16.0 shall constitute a material breach of this Sub-Recipient Agreement, upon which the County may terminate or suspend under section 9.0 (Termination for Default).

17.0 AUTHORIZATION WARRANTY

Sub-Recipient represents and warrants that the person executing this Sub-Recipient Agreement on its behalf is an authorized agent who has actual authority to bind Sub-Recipient to each and every term, condition, and obligation herein.

END OF BASE DOCUMENT
SIGNATURE PAGE TO FOLLOW

CEC
Sub-Recipient Agreement
* * * * *
Authorized Signatures

IN WITNESS WHEREO, Sub-Recipient has duly executed this Agreement, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Contract to be duly executed on its behalf.

SUB-RECIPIENT:

_____

By _____
Name

_____
Title

COUNTY OF LOS ANGELES

By _____
Name

_____
Title

APPROVED AS TO FORM:
County Counsel
John F. Krattli

By_____
Patrice Salseda
Senior Deputy County Counsel

Scope of Work

Name of Program: emPowerSBC (or emPower Central Coast)

Total Amount for Program: $1.55 million

Interest Rate: Unsecured loans starting at 5.9%, tiered based on creditworthiness (above 590 FICO).

Pay Back Period: Up to 15 years

Service fees (if any): 1% of rate, split between lender and program reserve account.

Eligibility Requirements:

emPowerSBC projects must be enrolled as an Energy Upgrade California (EUC) basic or advanced package project. Single family detached homeowners can opt to add solar projects, if enrolled in California Solar Initiative. Staff is exploring the inclusion of a more flexible programmatic infrastructure by which to base loan eligibility.

Underwriting Criteria:

- Borrower must be current member in good standing or become a member
- Ratio of unsecured balances to annual income should not exceed 45%
- Rates (starting at 5.90%) and tenors (up to 15 yrs) vary based on borrower's credit score (590 or above)

APR FOR EE Loans $1,000 to $5,000				
Average EE Loan Term: 60 months				
A+	A	B	C	D
760+	710-759	680-709	640-679	590-639
8.49%	12.99%	13.99%	14.99%	15.99%

APR FOR EE Loans $5,001 to $25,000				
Average EE Loan Term: 180 months				
A+	A	B	C	D
760+	710-759	680-709	640-679	590-639
5.90%	6.99%	8.49%	12.49%	14.49%

- Other underwriting criteria are also based on credit score:
  - Debt-to-income ratio: 30-60
  - Max credit limit: 2 – 4 X: Mo. Income up to $25,000

Description of Program/Action Plan for Program Implementation (Includes need being addressed by financing):

See attached plan. emPowerSBC would work with its current lending partners to amend the existing partnership agreement. The agreement would be modified to extend the service boundary throughout the Tri-County area (emPower Central Coast), thereby reaching areas currently unserved by a credit enhanced energy efficiency financing product.

Currently, emPower's unsecured Home Upgrade Loans are designed to finance EUC projects on single family detached homes. Homeowners may opt to finance solar projects if they are completed with an EUC package. The County of Santa Barbara has undergone early discussions with neighboring jurisdictions who have confirmed interest replicating the emPowerSBC model in Ventura and San Luis Obispo Counties. These neighboring counties do not currently have an active energy efficiency financing program, but share territories with emPowerSBC 's credit union partners. While both counties are home to significant efforts to bolster the green building market, these jurisdictions currently lack specific energy efficiency program delivery functions such as marketing and outreach, and workforce development, which simultaneously serve to complement the statewide EUC program. Program experience suggests that customized, on-the-ground program delivery provided by local stakeholders is critical to the success of both emPowerSBC and the EUC program in this region. This is particularly important, given that the region is on the periphery of two major utility companies, and therefore far away from central activities that often occur in larger population centers.

The County would be interested in exploring the use of remaining ARRA funding provided from the California Energy Commission (CEC) through Los Angeles County to provide a well-timed and cost effective way to implement the emPowerSBC program in un-served communities. This approach could maximize current programmatic and marketing infrastructure (i.e. standardized agreements, processes, workflows, branding, advertising, etc), while minimizing programmatic redundancies and community confusion.

If it is determined that the CEC ARRA funding opportunity is eligible to support a Tri-County emPowerSBC program, staff would seek Board of Supervisor approval to enter into an agreement with LA County for the purpose of extending the service boundary of the program. Staff would then work with lending partners to amend the agreements accordingly, attempting to leverage as much of the infrastructure built under previous ARRA funding as possible, while also avoiding redundancy in local program design and delivery. Subsequently, staff would update the branding and promotion of emPower Central Coast and work with Ventura County and San Luis Obispo County to launch an outreach and customer service model in each territory, supported with pass through funds. In the future, given various revenue opportunities and process improvements, the financing program may be extended to also serve other types of home performance measures, or other markets such as multi-family, small commercial or other types of product such as a secured loan.

Back-up Plan in the Event Program has minimal uptake:

Options include using funds to only expand to one additional County if it is determined the other is not feasible, or to use the funds to create new financing products for Santa Barbara County residents for other markets like condos/multifamily or small commercial or a secured product for single family homes. If the Tri-County model has minimal uptake after the initial program start-up phase, some credit enhancement funds could be redirected to support interest rate buy downs, or other incentives to encourage retrofits.

QA/QC Procedures/Policies :

- Contractor Requirements: Contractors must an approved Participating Contractor with Energy Upgrade California (or California Solar Initiative, if installing solar) and must sign an emPowerSBC Participation Agreement.

- Inspections: emPowerSBC honors the IOU QA processes conducted as part of the EUC and CSI programs, which include rigorous inspections. emPowerSBC has the right to inspect any project.

Permits: emPowerSBC honors the IOU review process conducted as part of the EUC and CSI programs and is exploring ways to streamline or fast track local permit processes for emPowerSBC projects.

Exhibit B
Att B-2 - Sub ARRA - Santa Barb

NOTE: Data in blue cells are calculated or transferred from other spreadsheets in this Excel workbook.

Only fill in the non-colored cells that apply to your project.

Budget for ARRA Reimbursement to Major Subcontractor #2		Personal Services		Project Operating Expenses					Indirect Costs			ARRA Reimbursable Task Costs for Sub #2
☐ DVBE Sub County of Santa Barbara		Direct Labor	Fringe Benefits	Materials	Equipment	Travel	Misc.	Sub-contractors	Indirect Overhead	G&A	Profit [1]	
1.0	**Project Administration Activities**											
1.1	Progress Reports											0
1.2	CPR Meetings											0
1.3	Identify and Obtain Leverage Funds											0
1.4	Identify and Obtain Proof of Required Permits											0
1.5	Electronic File Format											0
1.6	Prevailing Wage Determination/Payroll											
1.7	Historic Preservation											
1.8	Waste Management											
	Administration Activities Subtotals											0.00
	Project Technical Activities (Delete or add	0										
2.1	Innovative Financing and Incentive Options	78,285	39,925	10,000	0	0	1,000,000	370,000	40,830	10,960		1,550,000
	Technical Activities Subtotals											0

Major Subcontractor #2	Direct Labor	Fringe Benefits	Materials	Equipment	Travel	Misc.	Minor Subcon-tractors	Indirect Overhead	G&A	Profit	Major Sub #2 ARRA Reimbursable Cost
ARRA Reimbursable Totals						1,550,000					1,550,000
Percent of the Total						100%					0%
					Total project expenses =		1,550,000	Total overhead & profit =		0	

(1) Subcontractor profit is not allowed on Sub-subcontractor invoices and profit cannot exceed 10% of the ARRA funds allocated to the Task.
(2)This Budget is effective beginning June 14, 2012, unless prior written approval to switch to it earlier is provided by the Commission Contract Manager.

Exhibit B
Att B-3 - Sub Rates-SB

Santa Barbara County

		Projected Hourly Rates ($)												Projected Total Hours Worked
	Dates:	From:	1/1/12	From:	1/1/13	From:	1/1/14	From:	1/1/15	From:	1/1/16	From:	1/1/17	
		To:	12/31/12	To:	12/31/13	To:	12/31/14	To:	12/31/15	To:	12/31/16	To:	12/31/17	
Name	Job Classification/Title	($) Ceiling Rate		($) Ceiling Rate		($) Ceiling Rate		($) Ceiling Rate				($) Ceiling Rate		
TBD	Program Manager			40.67		47.00		51		51		51		TBD
TBD	Department Business Specialist I			31.00		33.00		35		35		37.5		TBD
TBD	Department Business Specialist II			37.21		37.21		39.5		39.5		42		TBD
TBD	Department Business Specialist III			37.21		37.21		39.5		39.5		42		TBD
TBD	Santa Barbara County Deputy County Counsel II			102.86		103.00		103		105		107		TBD
TBD	Santa Barbara County Auditor Controller Division Chief			89.46		90.00		92		92		94		

*** Your actual billable rates cannot exceed the rates specified in this exhibit.**
*** As a reminder, this sheet lists <u>unloaded</u> (that is, before fringe benefits or any other overhead) rates.**

Exhibit B
Att B-4 - Sub Costs Calc-SB

Santa Barbara County

Time intervals from the start of the project through the Contract Term End Date. (Use your organization's Fiscal Year start / end dates.)				Percentage Rate			
				Fringe Benefits (FB)	Indirect Overhead (OH)	General & Administrative (GA)	Profit (P) (10% Max)
From:	1/1/12	To:	12/31/12				
From:	1/1/13	To:	12/31/13	51%	34.54%	14%	0%
From:	1/1/14	To:	12/31/14	51%	34.54%	14%	0%
From:	1/1/15	To:	12/31/15	51%	34.54%	14%	0%
From:	1/1/16	To:	12/31/16	51%	34.54%	14%	0%
From:	1/1/17	To:	12/31/17	51%	34.54%	14%	0%

Note: Use the categories that you typically use in your standard business practice.

Expense Items in the Budget Spreadsheets	List the budget expense items to which the indirect costs or fees are applied. Use the following abbreviations: DL = Direct Labor, FB = Fringe Benefits, M = Materials, EQ = Equipment, T = Travel, MS = Miscellaneous, S = Subcontracts, OH = Indirect Overhead, G&A = General & Administrative (For example, if the Fringe Benefits percentage is applied to Direct Labor expense, you would list DL in the Fringe Benefits line.)
Fringe Benefits	DL
Indirect Overhead	DL+FB
General & Administrative	DL
Profit*	

List items you include in each category (e.g., vacation, retirement plan, telephone, secretarial, rent/lease, insurance, etc.). If vacation, holidays, or sick leave are included, do not double count in your hourly rate calculations.

Fringe Benefits	Indirect Overhead**	General & Administrative
Santa Barbara County Employee	Electricity	Office Supplies
Supplemental Retirement	Natural Gas	Misc. Expenses
Retiree Medical OPEB	Water	ITD Services
FICA	Refuse	Postage
FICA/Medicare	Utilities Services	Copier Expense
Health Insurance	Equipment Maintenance	Printing Expense
Life and Disability Insurance	Misc. Expenses	Data Processing
Unemployment Insurance	Professional & Special Services	Transportation and Travel
Workers Compensation	County Provided Services	Motor Pool Charges
Leave Overhead Applied	Office Expense	Telephone Services
	Postage	Cost Allocations
	Copier Expense	Communications
	Transportation Travel	Training Fees & Supplies
	Data Processing	Liability Insurance
	Motor Pool	IT Support (Oper Trf)
	Liability Insurance	Telephone Work orders
	Telephone Services	

*Subcontractor profit is not allowed on Sub-subcontractor invoices.
**Line items in indirect and G&A represent different charges. G&A charges are directly billed to program and indirect charges are associated with overhead charges.

Exhibit B
Att B-5 - Proj Oper Exp

Pre-approved Travel List *						
					Amount	
Task No.	Trip Number	Trip Purpose	Destination	Who	ARRA Funds	Leverage Funds
Total:					$0	$0

* Travel is reimbursed at state rates.

Equipment						
					Amount	
Task No.	Contractor / Sub Name	Name of Equip.	Description	Purpose	ARRA Funds	Leverage Funds
Total:					$0	$0

Exhibit B
Att B-5 - Proj Oper Exp

Material(s)				
			Amount	
Task No.	Contractor / Sub Name	Description of Material(s)	ARRA Funds	Leverage Funds
2.1	Santa Barbar County	Marketing expenses including materials and production, print collateral and advertising	$10,000	
Total:			$10,000	$0

Miscellaneous Expenditures				
			Amount	
Task No.	Contractor / Sub Name	Description of Expenditures	ARRA Funds	Leverage Funds
2.1	LA County	*Loans, fees, rebates, and costs associated with innovative financing and incentive options	$9,400,000	
2.1	CCSE	Fees, rebates, and costs associated with implementing statewide HERS II incentive program	$1,600,000	
2.1	Santa Barbar County	Loan Loss Reserve fund as credit enhancement to support lending partner capital.	$1,000,000	
Total:			$12,000,000	

**This Budget is effective beginning June 14, 2012, unless prior written approval to switch to it earlier is provided by the Commission Contract Manager.