

**MANAGING YOUR AMERICAN
RECOVERY AND
REINVESTMENT ACT GRANT**

Navigating the Process

Leadership

What do you want to do?

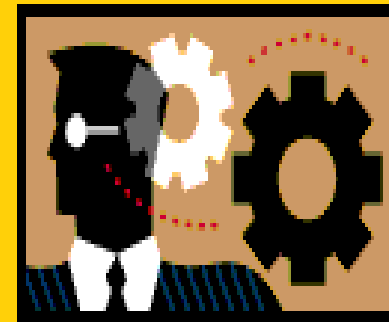
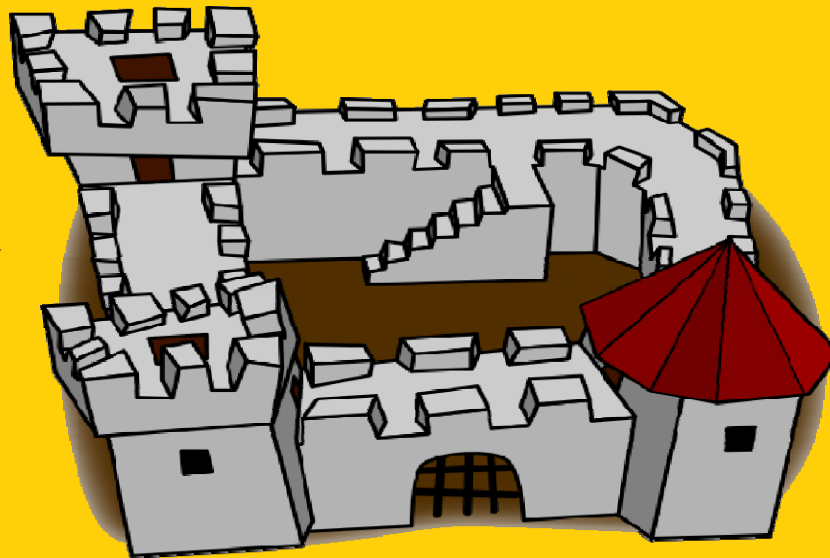


Few vs. Many

Available Resources

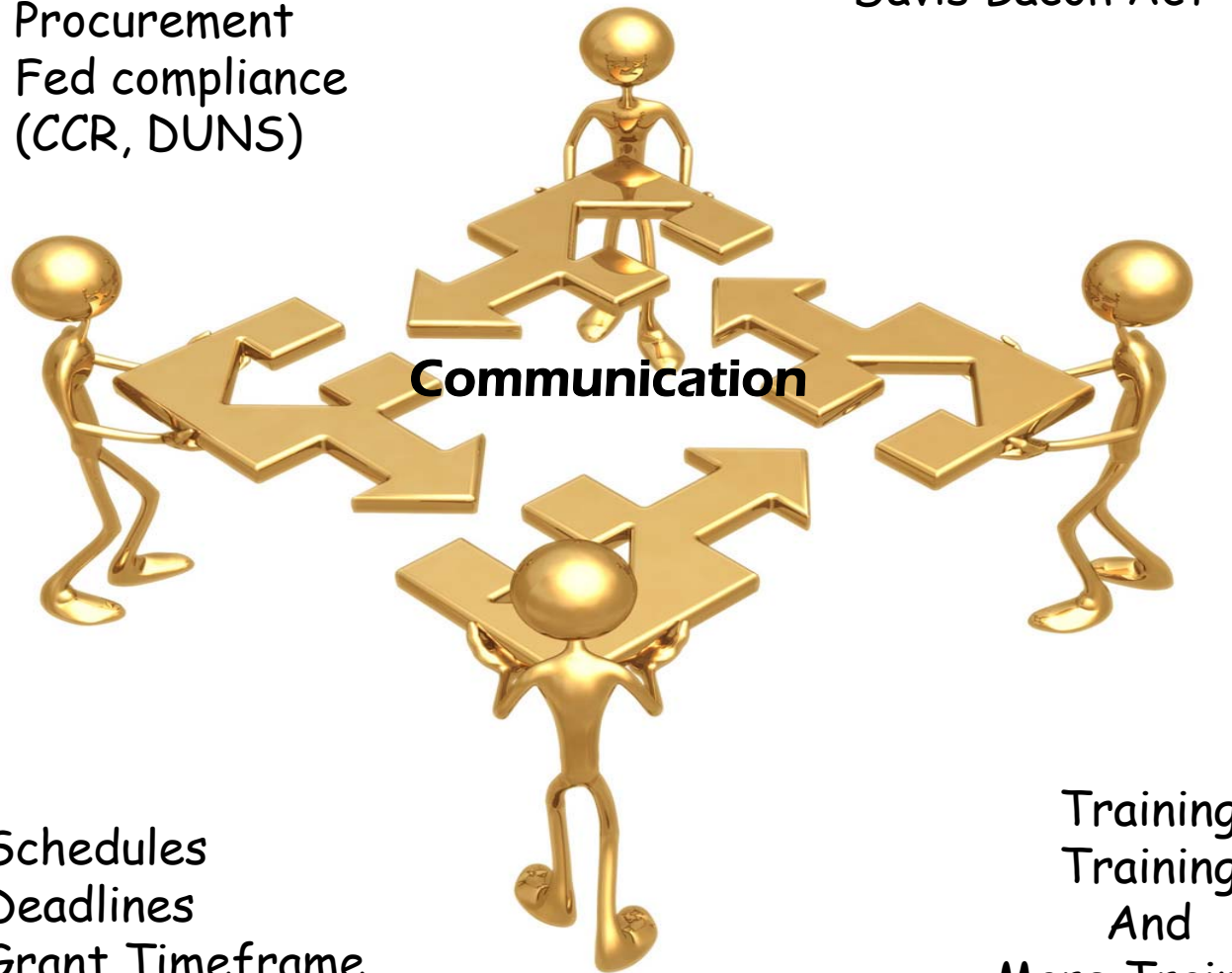
Is it do-able?

Who's Minding The Fort?



Fast Tracking
Procurement
Fed compliance
(CCR, DUNS)

Buy America
Davis Bacon Act



Schedules
Deadlines
Grant Timeframe

Training
Training
And
More Training

All On Aboard!



Let's Get Started!

Meeting With All Parties

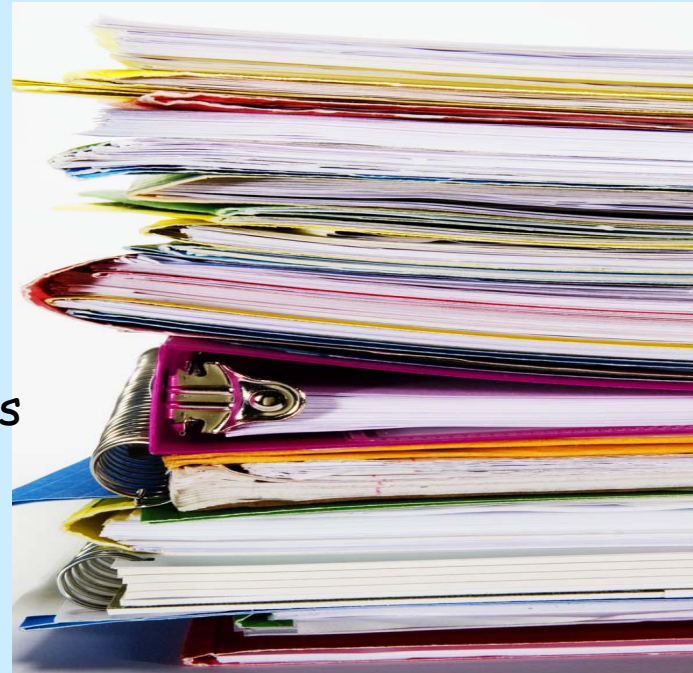


COMMUNICATION

Documents, Documents, and.....



Reporting Requirements



Expenditures = Invoices

Paperwork
Reduction Act



Progress Report Monitoring Visit



GOING FORWARD



Cobb County, Ga. and the EECBG

One county's experience in year one of the
Energy Efficiency and Conservation Block
Grant program (EECBG)

*Funded under the American Recovery and
Reinvestment Act (ARRA)*

Cobb County, Ga. and the EECBG

Presentation Overview:

- Background on Cobb County and EECBG Grant
- County Demographics and Facilities Overview
- EECBG: Grant Overview and Background
 - Funding
 - County leadership directives and expectations and impact on the grant application
 - Strategic Plan Overview, incl. budgets, goals, etc.

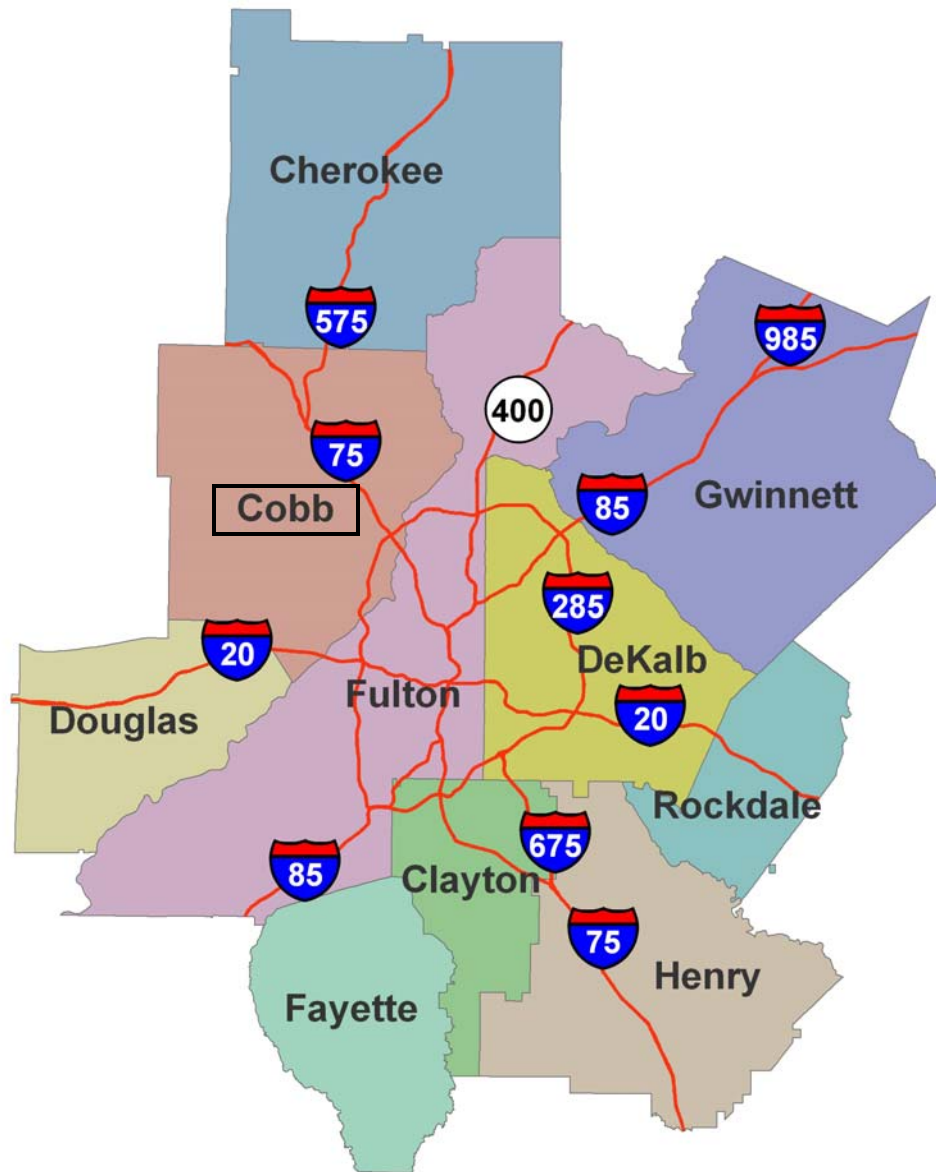
Cobb County, Ga. and the EECBG

- EECBG: Implementation Challenges
 - Compliance issues
 - ARRA Conditions
 - Special Conditions of EECBG
 - Conflicts
 - Evolution
- EECBG: Implementation History and Next Steps
 - How we got here
 - Where we are
 - Expected Challenges and Outcomes

Cobb County, Ga. and the EECBG

Cobb County, Georgia: Who we are –

- Cobb County is a 340 sq. mi. suburban county anchoring the northwest corner of the core Atlanta metropolitan area.
- Population = 715,000; 75 to 80% of residents live in unincorporated portions of the county. Avg. household income ~\$69,700 (2008 US Census estimates).
- Just named home of GE Energy's new Smart Grid "Technology Center of Excellence" (\$15 mm investment, 400 new jobs)



Cobb County, Ga. and the EECBG

Cobb County, Georgia

- Physical Plant:
 - Over 300 properties
 - In excess of 2.5 million s.f.
- Utilities
 - 11 utility providers in the county
 - approx. \$16,000,000 for utilities in FY09
 - Elec. prices:
 - avg. 8-10¢/kWh; range = <4-14¢/kWh

Cobb County, Ga. and the EECBG

EECBG Funding

- Formula funded community – directly funded by DOE
- Total EECBG = \$5,288,500

EECBG Grant Directive from BoC

Utilize EECBG funds to effect energy efficiency improvements in County owned facilities

Cobb County, Ga. and the EECBG

EECBG Grant Application and “Activities”

- Submitted application May, 2009 with abbreviated Strategic Plan
- 4 activities for funds:
 - \$ 275,000: Energy Audits
 - \$ 100,015: Energy tracking software
 - \$4,713,500: Facility Retrofits
 - \$ 204,000: Admin. Contract (3.86%)

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

Compliance issues:

- *National Environmental Policy Act (NEPA)*
 - Historic Preservation Compliance – 3 project specific submittals, blanket waiver issued 2/5/10
 - Waste Stream Management Plan:
 - 1st submitted 1/19/10
 - Rev. 1 submitted 2/10/10
 - Rev. 2 submitted 4/28/10

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

Compliance issues:

- *ARRA Conditions*
 - Buy American
 - Impact on specifications
 - Davis-Bacon
 - What are *laborers and mechanics* ?
- *Special Terms and Conditions of Grant*

Section I - Project Specifications - Project Documentation			
Buy American - Compliance with ARRA Sec. 1605	Grant conditions ¶25	Conditions from National Policy Assurances,	Grant conditions ¶2-f
Davis-Bacon Wages	Grant conditions ¶27 And 29	Contractor Compliance: Davis Bacon	Grant conditions ¶27 And 29; 10 CFR 600-236.(i) (5)
Waste Stream Mgmt. Plan	Grant conditions ¶19	Exec. Order 11246	10 CFR 600-236.(i) (3)
Contractor Registration in CCR	Grant conditions ¶21	Copeland Anti-Kickback Act Requirements	10 CFR 600-236.(i) (4)
Contractor Approval - DOE	Grant conditions ¶21	Work Hours and Safety Stds. Act (DOL 29 CFR Part 5)	10 CFR 600-236.(i) (6)
Energy Saving Calcs.	Attachment C - EECBG	Reporting Requirements	10 CFR 600-236.(i) (7);
Greenhouse Gas Calcs	Attachment C - EECBG	Contractor Compliance: Jobs created records keeping	ARRA Conditions
Equip. Purchases Itemization	10 CFR 600-232	Lobbying Restrictions	Grant conditions ¶15
Compliance with Ga. Energy Code ver. 2006	10 CFR 600-239 (i) - 13	Waste Stream Mgmt. Plan	Grant conditions ¶19
Measurement and Verification Strategy and Documentation	Supports Energy Savings requirement	Contractor Registration in CCR	Grant conditions ¶21
Bidder Flow-down	Grant conditions ¶22-A	Contractor Approval - DOE	Grant conditions ¶21

MORE ??	(35 in all)
Access to Records	Grant conditions ¶22-D; 10 CFR 600-236.(i) (10)
Retention of Records	10 CFR 600-236.(i) (11)
Whistleblower Protection	Grant conditions ¶22-F
False Claims Act	Grant conditions ¶22-H
General Conditions required from 10 CFR 600	Grant conditions ¶2-e
10 CFR 600-623: Procurement Conditions	Grant conditions ¶2
National Policy Assurances	Grant conditions ¶2-f
Segregation of Costs - ARRA	Grant conditions ¶22-b
Publication - Trade Info.	Grant conditions ¶22-e
Copyrights and rights in data	10 CFR 600-236.(i) (9) (see above)
Patent Requirements	10 CFR 600-236.(i) (8)
Clean Air Act Compliance	10 CFR 600-236.(i) (12)
Energy Policy and Conservation Act	10 CFR 600-236.(i) (13)

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

Compliance issues:

- Impact – Grant revocation (*~\$2mm currently*)
- *Special Terms and Conditions - approach*
 - *5 page Bidding and Contracting Addendum to all EECBG work*
 - *Certification Statements*

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

Compliance issues:

- Purchasing
 - “Use your std. purchasing policies....” BUT
 - Speed vs good practices (our “180 day” experience, changing rules, misinterpretations)
 - Proprietary restraints vs. current practice (e.g. unified building controls)

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

Compliance issues:

- Purchasing
 - Intergovernmental Agreements vs. DBE requirements
- Evolution continues
 - Week ago received notice:
 - Canadian made meets “Buy American” ?
 - Only =>\$7,804,000
 - Contracts, contractors, suppliers are not “sub-grantees” or “subrecipients”
 - *flowdown* ?

Cobb County, Ga. and the EECBG

EECBG Implementation Challenges

- Kudos where due
 - DOE contracting compliance officer: Great to work with but:
 - handicapped by limited authority
 - limited knowledge and experience + unique ARRA/EECBG requirements (e.g. “Buy American)
 - DOE seems to be trying to help
 - released all funding in February
 - issuing blanket “categorical exceptions” (aka “Cx”) on NEPA requirements where possible
 - expediting contractor approvals

Cobb County, Ga. and the EECBG

EECBG Implementation: How we got here

- 7/31/09: Issued RFQ for Audit Consultant
- 8/31/09: DOE assistance agreement issued
- ~10/15/09: Notified all contracts must be signed by March 1, 2010 (180 days from award)
- 11/2/09: Signed Energy Audit contract
 - Level 1 audits of 34 representative facilities
 - Development of generic design/build bid packages for lighting and HVAC replacement
 - Bid review and selection assistance

Cobb County, Ga. and the EECBG

EECBG Implementation: How we got here

- 12/15/09: Received results of Level 1 Audits
- 12/23/10: Issued first HVAC bid (opened 1/21/10)
- 1/12/10: BoC approved 27 projects to bid
- 1/10/10: Received generic design/build bid packages with intent to issue bids within 10 days
- ~1/15/10: “Oops” notification by DOE – 180 day contracting timeline doesn’t apply
- Halted bid issuance for “re-group”

Cobb County, Ga. and the EECBG

EECBG Implementation Status Today

- Completing first HVAC project (\$239,000)
- Finalizing contract for Roof project (\$440,000)
 - US Communities - \$4.73/s.f.
 - using subcontractors
- Received RFQ's for HVAC design services on 3 projects Friday
(represents projects with budgets totalling = \$1,165,000)

Cobb County, Ga. and the EECBG

EECBG Implementation Status Today

- Received bids on first lighting retrofit Friday
 - Pricing impact noted
 - \$16,500 eng. budget estimate, 3 bids from \$29,000 to \$46,000
 - Plan to negotiate final contract and determine where excess cost is for future reference
 - “No Bid” from from holder of inter-governmental services contractor

Cobb County, Ga. and the EECBG

EECBG Implementation Status Tomorrow

- Aggressive Schedule to meet DOE'S goal to put funding to work
- This coming month:
 - Complete 2 HVAC projects – incl. 1 in-house (first under EECBG)
 - 11 design/build bid packages due out
 - 3-5 HVAC designs to begin
 - Re-roofing and 1st lighting retrofits to begin

Cobb County, Ga. and the EECBG

EECBG Implementation Status Tomorrow

- Grant Deadlines – Cobb County
 - Feb. 28, 2011 – deadline for obligating all funds
 - Aug. 31, 2012 – deadline for expending all funds
- Goal: complete all projects by June, 2011.
~ 14 months before deadline

Cobb County, Ga. and the EECBG

Challenges Still Facing Us

- Bidding and managing large number of projects simultaneously
 - Human resources w/ govt. cutbacks
- Ensuring Compliance
 - Bidding – Buy American, DBE requirements
 - Records keeping
 - Contractor compliance
 - Measurement and Verification – Energy Savings
 - More DOE changes/interpretations

Cobb County, Ga. and the EECBG

Outcomes for target projects:

- Annual Savings of:
 - 2.6 mm kWh
 - 4.1 mm lbs. of CO₂
 - 30 k lbs. of NO_x and SO₂
 - \$360,000 in utility costs
- Reduced Maintenance Costs
- Improved occupant comfort



Cobb County, Ga. and the EECBG

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Effectively Managing the Stimulus

Keith Vos

National Sales Director – Home Depot

Government Finance Officers Association Conference

Atlanta, GA

June 8, 2010



Agenda

- Home Depot Overview
- Product Procurement Capabilities
- US Communities contract for state/local governments
- Renovation Services program
- Housing Authority case study
- Lessons learned on how to expedite ARRA purchases for renovations

Home Depot - Overview

- Worlds Largest Home Improvement Retailer
 - \$66 B in Sales 2009
 - 1972 Stores covering all 50 states
- 2nd largest retailer in the US
- The Home Depot is the youngest retailer in the Fortune 50
- The Home Depot was ranked No. 25 in 2009 on the Fortune 500 U.S. list
- 60% of clients are DIY & 40% Pro/Government

Home Depot Government Value Proposition

- Purchasing contracts at both Federal and State/Local levels
 - GSA Hardware Superstore V51 – Federal
 - US Communities – State and local government
- Commercial Credit terms offer 30 day interest free accounts
- Pro Desks offer expedited checkout out and technical assistance
- Over 40,000 SKUs in stock and 200,000+ available special order
- Guaranteed next day job site delivery and will call services available
- Dedicated Home Depot concierge for large clients through our Government Sales Team
- Home Renovation Services offers turnkey labor
- Access to Home Depot's Volume Pricing Program
 - Procurements over \$2,500
 - Average discount of 14% (will vary x product group)

US Communities/Home Depot Contract

- A publicly solicited contract awarded to The Home Depot by Maricopa County, AZ for Maintenance, Repair and Operating supplies under the auspices of the US Communities Government Purchasing Alliance, a national Purchasing Cooperative
- Supports the State, Local Government and non profits markets
- Authorizes contractual access to all Home Depot store products and labor services, plus over 200,000 Special Order items
- Enables State/Local Government and Education entities to “piggyback” on the contract, avoiding the costly and time consuming public bid process, enabling a consolidation of spend with a high profile national strategic supplier

US Communities/Home Depot Contract Access & Benefits

- Government clients simply register with US Communities @ www.uscommunities.org and enroll with The Home Depot @ www.homedepot.com/gov to access contract benefits
- Offers a Strategic Partnership with the National Leader in Home Improvement, Facilities Maintenance and Construction Supply
- Field based national sales team from both The Home Depot & US Communities is available for consultation
- Provides streamlined materials purchasing
- Sales and data spend management reporting available
- Comprehensive program to reduce total costs of indirect and direct materials procurement
- Volume Pricing and Annual Rebates

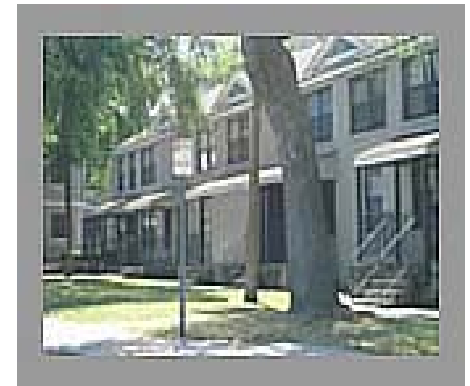
Reduce Total Costs of Procurement

THD Renovation Services Program

THD's "Home Renovation Services" is a turn-key remodeling program offering a full line of renovation products and services through a general contractor platform

- Single point of contact of the entire project from start to finish
- Single solution for product and labor needs
- US Communities Contract applies
- Prevailing Wage Compliant
- 24-48 hr turn-around on residential projects bids
- Competitive pricing structured in a unit price book
- Full scope of renovation services*
- Licensed, background checked and badged installers
- One-year warranty on workmanship backed by THD
- Locally sourced labor

* Does not include structural repairs or MALP remediation



Services Included in the Program

This program facilitates rehabilitation and/or improvements that are **non-structural** in nature

- Repair/Replacement/Upgrade of:
 - Roofs, gutters and downspouts
 - Existing HVAC systems
 - Plumbing/Septic & electrical systems
 - Floor Coverings
 - Exterior decks, patios, porches
 - Windows, doors, exterior wall siding
- Minor remodeling, such as kitchens (non-structural repairs)
- Painting, both exterior and interior
- Weatherization, including storm windows/doors, insulation, weather stripping
- Purchase and installation of appliances, including free-standing ranges, refrigerators, washers/dryers, dishwashers and microwave ovens
- Accessibility improvements for persons with disabilities
- Basement finishing, waterproofing & remodeling (non-structural repairs)



Not Included:

- ✘ *Major structural work*
- ✘ *Pool installation, maintenance or repair*
- ✘ *Termite bonds*
- ✘ *Removal / remediation of mold, asbestos or lead paint*

Renovation Services Snapshots

Before



After



A High Quality, Cost Effective Turnkey Solution

Home Renovation Services - HUD Contract Compliant

- Can execute HUD 5370C – General conditions for Non-Construction Contracts
 - Applicable to renovation contracts
 - Successfully incorporated in several contracts
- Can execute HUD 5370- General conditions for Construction Contracts
 - Generally applicable to our non-structural renovations efforts
 - Have / Can comply with some clarifications

Compliance Overview

Service Providers

Initial (on-boarding)

Service Provider Agreement



Federal EIN



W-9



Insurance (GL, Workman's comp, Auto)



Financials



Contractor Licenses



Principal background (credit & criminal)



Installer backgrounds (SSNv, criminal)



Technical Jobsite Inspections



Badge/background renewal tracking



Insurance renewal tracking



License tracking & audits



Permit tracking & audits



Service Provider branch audits



Expansion pulse checks



On-going

Criminal Background Screen

	<u>Competitors</u>	<u>Authorized SP</u>
Esteem Database	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SSN Validation		<input checked="" type="checkbox"/>
National Criminal	<input checked="" type="checkbox"/>	
Nat. Criminal Plus		<input checked="" type="checkbox"/>
1 County Search	<input checked="" type="checkbox"/>	
2 County Search		<input checked="" type="checkbox"/>
Sex offender Search		<input checked="" type="checkbox"/>
6-month bump		<input checked="" type="checkbox"/>
2-year renewal		<input checked="" type="checkbox"/>
Badge ID		<input checked="" type="checkbox"/>

Davis Bacon Prevailing Wage Act Overview

What is it?

- The Davis-Bacon Act is a federal law that ensures that “laborers and mechanics” employed on federal government funded construction contracts are adequately compensated.
 - **Applies to jobsite workers on or adjacent to the “site of the work”**
 - All laborers, equipment operators, and mechanics
 - Workers whose duties are manual or physical in nature
 - No exceptions for temporary employees or subcontractors
 - **Does not include: Home Office, Managers, Quality Control Technicians, etc.**
- Dictates minimum required wage/fringe rates for job site workers as pre-determined by the Department of Labor, aka “prevailing wage determination”
 - **Varies by geographic area and job type**
 - **Available on-line at www.wdol.gov**

When does it apply?

- On Federal government contracts and subcontracts >\$2,000 involving construction, alteration, or repair - this includes weatherization and renovation

How does it work?

- Contractors and subcontractors must provide evidence of compliance
 - **Ensure all job site workers (including subs) are paid “prevailing wages”**
 - **Submit “certified payrolls” to throughout the project**
 - **Keep compliance records/evidence on file for 3 years**

ARRA Case Study – Housing Authority of City of Los Angeles (HACLA)

■ HACLA Facts

- HACLA manages 75K units for low income families
- Annual budget of \$1B
- Previously had a central maintenance department consisting of plumbers, carpenters, electricians, welders, gardeners and drivers
- Maintained construction crews that handled large projects

ARRA Case Study - Challenges

- HACLA Building Maintenance
 - Central maintenance department was dissolved due to budget constraints so needed work was postponed
 - More cost effective to sub work out on as needed basis but HA lost control of work flow process and quality
 - Multiple Contractors
 - Communications – Warranties – Call Backs – Licenses – Badging - Permits
 - ARRA funds are tied to prevailing wage requirements
 - Construction crew eliminated Spring 2010 which further complicated repairs associated with capital expenditures budget
 - Creating a backlog of major work needing to be performed
 - RFP process for large repair projects was time consuming and very costly

HACLA Case Study - Solutions

- US Communities contract allows HACLA to purchase without public solicitation eliminating costly RFP waiting/award process
 - Streamlines purchase process and spend
- THD partnered with HACLA legal team (including deputy city attorney) to clarify terms and conditions of HUD contract
 - Contract model has been developed to streamline future contracts
- THD awarded 2 contracts for 12 fire renovation projects totaling \$700K
- THD awarded 23 roof repairs estimated value of \$450K
- HACLA is planning to award many other ARRA funded cap ex projects to THD utilizing the streamline US Communities process
- Home Renovation Services
 - Single point of contact
 - Licensed, background checked & Badged
 - Pull all necessary permits
 - Complies with Davis Bacon Prevailing Wage requirements

Lessons Learned - Expediting ARRA Funding

- Utilizing Cooperative Purchasing Contracts speeds up award process while still observing HUD solicitation requirements
- Utilizing Cooperative Purchasing Contracts virtually eliminates costs associated with bid awards
- Contracts Management flexibility must be maintained by both parties
- Supplier is contractually required to observe “Buy America” bid specifications required by ARRA
- Single point of contact mitigates call backs
- Warranted products and services improve spend effectiveness
- THD Services Field Team inspects construction quality
- Licensing, permitting & badging controls improve installation standards and mitigate risk
- Davis Bacon prevailing wage compliancy requirement is observed

Questions?

Keith Vos

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