



# Residential Decarbonization Program RFP Questions & Answers

## Retrofit Interventions

1. **Given that DOH recognizes that not every home is suitable for complete decarbonization, does DOH have a goal for how many or what percentage of homes would be served in the different tiers of service outlined according to the NREL framework?**
  - No, there is no set percentage. We reiterate that the goal of this program is to completely decarbonize as many residential properties as possible (e.g. “Tier 3”), but recognize it may not be possible or prudent to achieve complete decarbonization in all cases, e.g. based on results of energy assessments and home inspections.
2. **What is the program's deferred maintenance allowance?**
  - For consistency across proposals, DOH has asked all respondents to propose budgets assuming a “10% of hard costs” deferred maintenance budget. However, DOH has not determined a deferred maintenance allowance limit at this time. We encourage respondents to detail the amount they would recommend in their RFP narrative response. Program contracts will likely stipulate a deferred maintenance allowance for every project while simultaneously allowing for case-by-case approval of higher amounts by DOH staff.
3. **Footnote for tier 3 mentions "Electric, non-heat pump/induction appliances are not preferred but can be installed in select circumstances." Which circumstances are permitted? For examples are Homeowner's preference, increase in electric load, etc. types of select circumstances or are there other more specific circumstances?**
  - The provider (Grantee) may recommend the installation of alternate instead of preferred products based on each project’s scope; DOH will approve or deny requests on a case-by-case basis. Circumstances leading to approval may include technology limitations, physical space constraints, inventory/supply chain issues, and other considerations.
4. **Will there be a post construction field review?**
  - DOH always reserves the right to conduct site visits during and after construction. Any work requiring building permits (issued by the Department of Buildings [DOB]) must follow relevant city policies, including any required inspections.
5. **What if a home/1-4 unit building needs an improvement to meet energy efficiency standards? (i.e. new windows) Is this cost covered in the grant or is the customer referred to another program or disqualified?**
  - A critical part of this program is the energy assessment and scoping of retrofit projects, and results will be specific to that individual home/building. There may be a broad menu of potential energy conservation measures applicable for the home, and we rely on the

grantee (provider) to identify the right mix of solutions for each project that achieves the City's program goals and requirements. Please see the covered "Tier 1" eligible improvements in Section 2.3, which includes "drafty window/door replacement."

### **Sub-grantee Selection**

- 6. Would DOH be open to methodologies for financial qualification of sub-grantees that are based on geographic location, or does every sub-grantee property need to meet the income qualifications (1/1, 2/3, or 3/4 units within the property as described)?**
  - No, the income qualifications for sub-grantees will be consistent across the entire City of Chicago (see RFP Section 2.4).
- 7. Will the grants for sub-grantees made from the \$15M the City of Chicago only be available for sub-grantees that fall into the City's definition of LMI? Or does the City anticipate other households will be taking advantage of these opportunities concurrently, with or without the sub-grants?**
  - City of Chicago grant funds under this program must be used to support decarbonization for households that meet the City's area median income (AMI) targets, as described in the Request for Proposals (RFP). An applicant may describe a program model that includes concurrent programming for other households that is completely funded with other sources (see RFP Section 2.4).
- 8. Are respondents meant to find homeowners who need repairs? Will the grantee keep the client waitlist? Or will clients be referred from DOH to program providers? Is the City going to coordinate community outreach for this program to assure that all 2-5 teams are reaching out to the potential homeowners with the same 'messaging' or is each team expected to create and roll out it's own outreach model?**
  - DOH intends to engage in general outreach related to this program, such as aldermanic notification, social media, collection and disbursement of any inquiries received by City staff to grantees, etc. However, because the ability of any Grantee to serve a particular Sub-grantee may be dependent on the Sub-grantee's housing type, age, or size; home inspection; energy assessment; etc., DOH views Grantee leadership in the recruitment and selection of Sub-grantees as important. Responses may propose to lean on a DOH-generated pipeline of potential program participants, but we encourage sub-grantee recruitment proposals that include thoughtful recruitment strategies. In any circumstance, the Grantee will be responsible for qualifying potential sub-grantees as suitable for program participation

in compliance with program documentation to be developed by DOH prior to program launch.

- 9. Are you treating all buildings as equal or did you go through a prioritization exercise to determine which homes should be retrofitted first?**
- The City has not prioritized a particular building type. Applicants may indicate a building prioritization in their response.
- 10. \*NEW QUESTION 08/18/23\* Does the City have an intended way of conducting income verification, application review, and payment handling for the program?**
- The application review process will be codified with program provider(s) after grantee selection based on their response. Income qualification will be consistent for all applicants and will ensure that Sub-grantees meet the 80% AMI requirements (see RFP Section 2.4). The payment process for Grantees will be aligned with standardized City systems and procedures.

### **Workforce Development**

- 11. Sect 7.9 requires the grantee to ensure compliance with prevailing wage. Will existing DOH/City systems be utilized to report and monitor this? Or will the grantee have to directly collect and review the certified payrolls?**
- The grantee will be required to have contractors input data into City tracking systems.
- 12. Does DOH recognize HUD Section 3 businesses as diversity?**
- There is no Section 3 requirement for entities submitting a response to this RFP. However, if you consider your organization's or your partners' Section 3 status to be important factors impacting your approach to equitable program design and/or ability to promote opportunities for diverse contractors, we invite you to describe this in the relevant sections of your proposal.

### **Budget & Compensation**

- 13. If DOH prefers to select multiple providers with varied business structures and program designs, does DOH know how it would divide up the \$15M among multiple providers? Could you clarify if the award will be split to multiple grantees per year?**
- No, each contract amount will be determined by DOH once finalists are selected. The award may be split to multiple grantees. DOH will determine the number of grantees during the finalist selection process.

- 14. The RFP calls out the need for evaluating the program, providing data through assessments, measurement and verification [section 2.7]. How should this be included in the project delivery fee? Should it be specifically called out as part of the delivery fee for each home or a percentage of the overall annual program forecast?**
- All program costs should be included in the project delivery fee. There will be no “admin fee” or “annual program fee” for this program. Your proposed project delivery fee should cover your cost liabilities related to performing assessments, collecting utility bill data, etc.
- 15. Should Exhibit C be only completed for one annual year at the RFP specified \$5M, or shall the respondents provide Exhibit C for each year of the potential 3-year program length?**
- Exhibit C should be completed using the 2-year contracting period with a total contracting amount of \$5M or the total number of jobs proposed in question 3.e.i, whichever leads to the lower total budget.
- 16. Is there a minimum contract amount that the City is willing to accept?**
- No, there is no minimum contract amount.
- 17. Sect 3.2 notes that only "pre-approved" direct costs of a completed retrofit may be billed. What is the pre-approval process? Will it involve field visits with DOH staff?**
- The specific pre-approval process will depend on finalist selection, program design, and your RFP responses. We presume at this point a 2-part pre-approval process for each job: confirming (1) a scope of work that achieves program goals based on site visit and energy assessment [see questions b.iii and b.iv]; and (2) a cost to complete said scope of work [see question e.ii]. You may propose frameworks for this pre-approval in the relevant questions; finalists and DOH will come to consensus on necessary processes during the Contracting phase.
- 18. What percentage of the fund can be used for indirect costs, such as administrative staff, accounting staff?**
- No “indirect costs” may be billed as a part of this program. Providers may charge a project delivery fee on each job completed, and may propose a fee amount in their responses to the relevant questions.
- 19. Sect 3.2 also notes that the project delivery fee is only paid for projects completed to the City's satisfaction. What documentation will the City be looking for and will site visits be part of this?**
- DOH's existing home improvement programs use a shared database where contractors can upload city permits, construction photos, a project completion form signed by the contractor and homeowner, and other relevant documentation. City approval of jobs for reimbursement is contingent upon review of uploaded information,

and a city staff site visit. DOH presumes the implementation of a similar structure for this program, and always reserves the right to conduct site visits during and after construction.

**20. Is this a reimbursement to the owner/subgrantee?**

- No. Subgrantees receive benefits in the form of sub-grants consisting of direct home improvements. At no time should sub-grantees be required to spend any money to participate in this program. Grantees will seek reimbursement from the City for the expenses related to program implementation, as described in the RFP and elsewhere in this FAQ.

**21. Are there any mobilization funds available?**

- No, all funds for this project are to be used for direct retrofit costs and a “project delivery fee” for each project (see RFP Section 3.2).

**22. Please add clarity around equipment procurement & payment/reimbursement for these projects?**

- As noted above, the only eligible expenses for this program are direct retrofit and potential deferred maintenance costs and a “project delivery fee” for each project (see RFP Section 3.2). Equipment procurement is the responsibility of the grantee.

**23. Would the city consider a proposal that included a financing component where the grant funds would only be accessed if the grant was needed to ensure bill savings from month one on?**

- The intent of this program is to maximize benefits for low- and moderate-income clients, including increased resiliency and decreased energy burden. Any proposal that includes a financing component will be evaluated in terms of the possible added financial burden such a proposal may place on sub-grantees.

**Other**

**24. Section 2.2-8 calls for building owners to enter into agreements with the City to maintain affordable rents. Are these legal agreements developed by the City or will the winning grantee be responsible for developing these?**

- The City will draft these template agreements in coordination with the selected finalists; the grantee will be responsible for their execution. At this time, it is expected that the parties to the agreement will be the building owner (subgrantee) and the City of Chicago.

**25. The RFP refers to implementers as "grantees" and defines it as such, but then they also use the term "providers" seven times. Could you clarify what is meant by "providers" in the context of the RFP?**

- “Provider” and “Grantee” are synonyms in the context of the RFP. They can be used interchangeably and should be understood to be identical.

**26. Is the RFP on the website?**

- Yes, the link can be found here:

[https://www.chicago.gov/city/en/depts/doh/supp\\_info/residential-housing-decarbonization-and-retrofits.html](https://www.chicago.gov/city/en/depts/doh/supp_info/residential-housing-decarbonization-and-retrofits.html).

**27. Are RFP submissions limited to the 17 respondents to the Request for Information (RFI) posted by DOH earlier in the year?**

- No, any eligible entity may respond to the RFP.

**28. Is the plan to provide multiple projects like this to impact thousands of homes based on funding provided to DOH?**

- The current funding available for this program is \$15M in Chicago Recovery Plan bond proceeds. There are no additional funding sources identified for this project at this time (see RFP Section 3.1).

**29. Is there a Design Thinking Session planned to provide more efficiency for the work that needs to be performed and a consistent communication process with the homeowner?**

- Once finalists are selected, there will be significant discussion between finalists and DOH to plan for an effective program rollout and codify program guidance, including standards for effective communication with participating homeowners.