

# COMMUNITY ACTION COMMISSION STAFF REPORT

**AGENDA ITEM #:**

**DATE:** 7/21/22

**SUBJECT:** 4th Amendment to the Weatherization Contract MT#18912

**RECOMMENDATION:** Accept Additional Funding from the State of California Department of Community Services and Development (CSD) for the CAP Weatherization Program to be Applied to Existing Weatherization Subcontractor Agreements and Approve the Form of the Fourth Amendment to the Professional Services Agreement; All Districts. [\$1,058,349 - 100% State of California Department of Community Services and Development Funds]

**BACKGROUND:** The State of California's Department of Community Services and Development (CSD) sponsors the Low-Income Home Energy Assistance Program (LIHEAP) for cities and local governments with populations of 50,000 or more within California. Funds for the LIHEAP program originate annually through the Federal appropriations process and are granted to CSD by the United States Department of Health and Human Services (HHS). Among other things, LIHEAP provides local agencies with the financial resources to hire contractors to install, repair, or renovate the heating, cooling, insulation, and weatherization needs of dwellings belonging to or occupied by low-income residents of Riverside County. Additionally, in March 2021, the Federal Government passed the American Rescue Plan Act of 2021 (ARPA), which is a one-time appropriation intended to escalate the country's recovery from the economic hardships caused by the pandemic and ensuing economic recession. In addition to other programs, Federal ARPA funds were earmarked to supplement and increase funding for the existing LIHEAP programs. The Department of Community Services and Development (CSD) received an ARPA/LIHEAP grant award from the United States Department of Health and Human Services to help low-income families meet their utility expenses in the wake of the COVID-19 pandemic, which includes financial resources to hire contractors for repairing or replacing heating, ventilation, and air conditioning systems in emergency situations for qualified low-income Riverside County residents. ARPA/LIHEAP funds were, in turn, granted to existing LIHEAP Local Service Providers like Community Action Partnership of Riverside County. Funds from this grant were previously approved by the Board and unspent funds are being rolled over into the next fiscal year.

On July 10, 2020, CAP published a Request for Qualifications (RFQ) No. 2020-001 to find and evaluate local contractors to do the weatherization work required by the CSD LIHEAP grant. CAP had qualified six local contractors ("Subcontractors") that met the criteria to participate in this program and entered into Professional Services Agreements for Weatherization Services with the following contractors: Builder Services Group Inc. dba TruTeam of California, WSCL, Inc., Reliable Energy Management, Inc., Greencat Inc., John Harrison Contracting, Inc., and Campesinos Unidos, Inc. ("Weatherization Subcontractor Agreements"). On April 13, 2021 (Minute Order 3.15), the Board approved HWS/CAP's selection of the above-listed contractors and the subsequent Weatherization Subcontractor Agreements. These agreements have since been amended to extend the period of performance until July 1, 2022, by the Board on November 9, 2021 (Minute Order 3.8) and then extended again until July 1, 2023 on March 26, 2022 (Minute Order 3.21).

The total dollar amount of the Weatherization Subcontractor Agreements with the contractors is not a guarantee of payment amount. The total dollar amount is the maximum amount that is available per contractor for performing billable work under the CSD contract. Any unspent contract amount will be carried forward to the next fiscal year, pursuant to the terms of the funding source. As additional funding becomes available for weatherization services, CAP will bring the funding before the Board of Supervisors to ask that the funds to be added to the agreements with the subcontractors.

**CONTRACTING AND PRICE REASONABLENESS:** N/A

**COMMUNITY IMPACT/ALIGNMENT WITH COMMUNITY ACTION PLAN:** CAP is the Project Sponsor and has administered the LIHEAP program for many years. As Project Sponsor, CAP plans, coordinates, and monitors weatherization services for eligible Riverside County residents. Such services include the repair or replacement of HVAC systems, insulation, weatherstripping, furnaces, heaters, and energy efficient lighting in effort to reduce energy costs.

**IMPACT ON CURRENT CAP OPERATIONS:** CSD has awarded the Community Action Partnership (CAP) a total of \$8,181,200 in LIHEAP grant funding with Contract #22B-4027, (referred to as LIHEAP 2022). The funds are to be used for utility assistance and weatherization services for low-income residents. The term of this contract is from July 1, 2022, through June 30, 2023, and was approved by the Board of Supervisors (BOS) on February 8, 2022 (Minute Order 3.14).

CSD has also awarded CAP a total of \$11,326,724 in ARPA/LIHEAP funding with Contract #21V-5576, (referred to as ARPA-LIHEAP 2021). The period of this contract is August 1, 2021, through March 31, 2023. The funds are to be used for utility assistance and weatherization services for low-income residents

<p>PE&amp;F COMMITTEE REVIEW: Date: Approval: Yes/No</p> <p>EXECUTIVE COMMITTEE REVIEW: Date: Approval: Yes/No</p>	<p>BOARD OF SUPERVISORS CONCURRENCE</p> <p>Required: Yes/No</p>
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