



Bureau of Planning and Sustainability

Date: October 6, 2021
To: Portland Clean Energy Fund Committee
From: PCEF Staff
Subject: PCEF heat hazard response update memo

The following memo is an update to the ["PCEF heat hazard response program proposal"](#) memo dated September 14, 2021.

In the October 6th PCEF Committee meeting, staff will ask the PCEF Committee to decide whether to approve advancing:

PCEF heat hazard response proposal to:

Distribute and install 12,000 – 15,000 portable heat pump/cooling units over a period of up to 5 years to vulnerable households, prioritizing those with seniors among our priority populations (low-income, BIPOC).

Proposal goals:

1. Address heat hazard needs for vulnerable people, prioritizing seniors among our priority populations (low-income, BIPOC)
2. Use [PCEF Guiding Principles](#) in design and deployment
3. Begin distribution in May/June 2022 with implementation taking place over a period of up to 5 years to distribute 12,000 - 15,000 portable heat pump/cooling units
4. Promote efficient installation and use, as well as connection to programs to lower energy bills
5. Provide support that maintains product life, efficient operation, and usability

Approval of the proposal will result in PCEF staff releasing two separate requests for proposals (RFPs):

1. Equipment purchasing partner –two-week open application period.
 - a. Compressed timeframe driven by need to have a partner selected and awarded funds by early November to begin sourcing equipment for spring delivery.
2. Equipment distribution partners - six-week open application period.

Subsequent Committee decision points:

- Early November 2021: Recommend grant to an equipment purchasing partner
- December 2021: Recommend grant(s) for a portfolio of equipment distribution partners

Funding:

- Equipment purchasing partner:
 - Assuming 15,000 units, grant funding is anticipated to range from \$9 to 9.5M over 5 years with program administration accounting for roughly 20% of the budget. Actual budget allocation to be determined based on RFP responses.
- Equipment distribution partner:
 - Grant funding for equipment distribution partners may range as small as \$1M to higher than \$4M depending on the mix of affordable housing providers and community-based organizations. Actual budget allocation to be determined based on RFP responses.
- If approved, funding for this proposal (estimated to range from \$10M to \$13.5M in total over 5 years) would be appropriated from the unallocated PCEF fund balance by a vote of the Portland City Council. Given recent expectations that grant funding will total \$70 to 90 million annually over the next several years, this proposal is not expected to have a material impact on the volume of future grant making.

Approach/roles (information in this section was previously shared in the [9/14 memo](#)):

Equipment Purchasing Partner: PCEF will seek out a nonprofit organization that has relationships with retailers, manufacturers, installers and/or other pathways to acquire thousands of portable heat pump units on an ongoing basis throughout the program period.

Key Roles for Equipment Purchasing Partner:

- Identify specifications of equipment to purchase, based on energy efficiency, features, and usability. City staff will collaborate in defining some parameters.
- Collaborate with City on evaluation of the total number of portable heat pump units to purchase, as well as potential for additional items such as air filtration units.
- Coordinate contracts with manufacturers, retailers, commercial entities, or other organizations to purchase portable heat pump/cooling units that provide efficient cooling.
- Coordinate delivery of the units through drop shipping to distribution partners, installers, or temporary warehouse space identified by the City. The Equipment Purchasing Partner is not expected to procure warehouse space.
- Develop maintenance, warranty, and equipment replacement procedures with partners, in order to maximize usable lifespan of equipment.

The equipment purchasing partner would be compensated through a grant for equipment procurement and administration costs to implement the acquisition and delivery of equipment.

Distribution and Installation Service Partners: PCEF would seek multiple nonprofit partners through an RFP process to serve a variety of roles in distributing portable heat pump/cooling equipment, setting up equipment in people's homes or apartments, providing information

about how to use the devices, and potentially installing basic weatherization kits. These partners could be housing providers, social service organizations, tenant service organizations, and/or other community organizations that have the capacity to move, deliver and install equipment into people's homes. They could either do the distribution and installation services with staff resources or hire contractors to implement the installations.

Key roles for distribution and installation service partners (not all required of each partner):

- Coordinate with Equipment Purchasing Partner for number and type of units required
- Take delivery or pick up portable heat pump/cooling units, and store/manage inventory accordingly until installation. This may require unloading facilities and forklifts, pallet jacks or other freight management tools.
- Drop off cooling equipment to homes. This may require trucks, vans, and appropriate moving equipment to safely lift the cooling units up flights of stairs.
- Unpack the portable heat pump/cooling units and assemble.
- Install the portable heat pump/cooling units in the home, using basic tools, applying best practices to seal windows and ensuring safety.
- Provide information to recipient about how to use the unit, including any regular maintenance required (such as emptying water and changing filters)
- Install basic weatherization kits, where applicable and available
- Provide verification that unit (and where applicable, weatherization) has been installed and collect self-reported demographic information.
- Where applicable, check back annually to ensure that unit is operational

The distribution and installation services partners would be compensated through grants on a per-unit basis for the number of units installed or delivered. There may be additional payments on a per-home basis for additional services like weatherization installation.

Outlines of the RFP content for both equipment purchasing partner and equipment distribution partner can be found on pages 4 and 8, respectively.

Selection process:

- **Equipment purchasing partner:** PCEF staff will review and score proposals based on scoring criteria described on page 4. The PCEF Committee will receive the proposals and staff scores and be asked to make a recommendation to City Council in early November 2021.
- **Equipment distribution partner:** BPS staff will review proposals for distribution partners and recommend a portfolio of proposals serving PCEF priority populations, with a mix of affordable housing providers and community-serving organizations. Staff welcome the participation of two to three Committee members on a proposal review body that will make recommendations to the full Committee in early December 2021. The full Committee will be asked to make a recommendation to City Council by mid-December, early January.

PCEF Heat Response Equipment Purchasing Partners RFP Outline:

Application Sections and Scoring

Section	Key Elements of Criteria	Points
Project team, management, and capability	<ul style="list-style-type: none">• Key personnel and experience (20 points)• Project management and partnership engagement approach (10 points)• Track record of key staff in managing similar programs at scale (5 points)	35 Points
Project approach and technical understanding	<ul style="list-style-type: none">• Proposed timeline of equipment delivery and approach to procurement (20 points)• Database, logistics, and customer tracking approach (10 points)• Approach to equipment selection (5 points)	35 Points
Workforce diversity and hiring approach	<ul style="list-style-type: none">• Nonprofit staff and leadership reflects PCEF priority populations (5 points)• New staff hiring/subcontractor approach furthers goals of PCEF in workforce (10 points)	15 Points
Cost	<ul style="list-style-type: none">• Annual cost projections for administering 5 years of equipment purchasing/logistics and project management, and engagement with Distribution Partners (15 points)	15 Points

Application Content

A) Organization Information

- Basic Information
 - Name
 - Contact
 - Nonprofit status

B) Project team, management, and capabilities

- Number of non-profit staff expected to work on project
- Number of subcontractor / partner staff expected to work on project
 - For each of the key team members who will perform work on this project provide the following:
 - their role and responsibilities on this project
 - experience on similar or related projects and/or transferrable skills
 - unique qualifications that will contribute to project success (e.g., personal and/or life experience, professional development, education, or other qualifications relevant to the project)
 - bio or resume

Describe your management approach and capabilities and how they will support the success of this project. This should include:

- description of lines of authority and responsibility, coordination and supervision of partners and/or subcontractors, and internal procedures and/or policies associated or related to work quality and cost control
- description of experience managing similar or related projects including information about goals, results, timeliness of completion, and budget management
- how your management approach will be successful in navigating the uncertainties associated with the project's time horizon and equipment delivery requirements

C) Project approach and technical understanding

Describe your approach to the requested tasks and deliverables. Ensure that the description addresses the following:

- Existing or planned relationships with equipment manufacturers, distributors, or retailers who can provide portable heat pump units
- Approach to equipment selection
- Any preliminary expectations of bulk purchase cost reductions (expressed as a % off of retail price) that may be available from manufacturing/ distribution partners
- Planned approach for procurement and shipping/ delivery of units
- Planned approach for communication and collaborations with Distribution Partners, including both affordable housing providers and community organizations.
- Approach for database creation, management, and reporting

D) Workforce diversity and hiring approach

- Leadership and staff demographics
 - PCEF priority communities include:
 - Black, Indigenous, and people of color
 - People with low income
 - People with disabilities
 - People who identify as women, non-binary, transgender, or two-spirit
- How much of your organization's staff and board reflect the PCEF priority communities? (checkboxes)
 - The majority: More than 50% of our organization's total staff and board reflect the PCEF priority communities
 - Less than half: Less than 50% of our organization's total staff and board reflect the PCEF priority communities
- Please describe your approach to inclusion of PCEF priority populations (low-income, BIPOC, women+, people with disabilities) in the hiring of new staff or selection of subcontractors.
- PCEF has wage requirements that apply to any employee/contractor that is paid as part of a PCEF project. For this project, it would be 180% of the area minimum wage (\$26.55 as of July 1, 2022)
 - Verify that you can pay staff associated with this program the wage required, and that this has been incorporated into the cost estimates above (checkbox)

E) Cost estimates

- Enter the annual nonprofit organization staff and overhead costs associated with equipment procurement, data & project management, and engagement with Distribution Partners. Include labor, travel, and benefits. Costs of the equipment should not be included.

Year	Cost Estimate for Services
1	
2	
3	
4	
5	

- List any subcontractors and the annual subcontracted costs associated with program delivery. Include costs of data management platforms, consultants, or other services.

Year	List subcontractors	Cost estimate for sub-contracted services	% subcontracted services provided by COBID-certified firms
1			
2			
3			
4			
5			

- Provide a narrative of the cost elements above , including any additional services that the nonprofit intends to offer : _____

PCEF Heat Response Equipment Distribution Partners RFP Outline:

Application Sections and Scoring

Section	Key Elements of Criteria	Selection Approach
Organization type	<ul style="list-style-type: none"> Services Provided by nonprofit 	Sort/ Evaluate Housing Providers and Community Orgs separately
People served	<ul style="list-style-type: none"> Number of people served annually Demographics of people served 	Prioritize orgs that serve greater numbers of PCEF priority populations
Distribution interest	<ul style="list-style-type: none"> How many units requested for distribution annually 	Prioritize those able to install 200+ units annually
Capacity for services	<ul style="list-style-type: none"> Identification of what services can be delivered, in addition to installation of heat pump/ cooling units. 	Minimum requirement for installation, additionally prioritize orgs that can provide additional services or follow up
Cost	<ul style="list-style-type: none"> Table of costs itemized by service provided PCEF may choose to select all services available, or a mix of services to fill need 	Prioritize appropriate mix of costs and services. Yes/no decision for cost approval on services suggested
Workforce diversity and hiring approach	<ul style="list-style-type: none"> Description of workforce and hiring/ education approach 	Prioritize orgs that have commitments to inclusive workforce development

Application Content

A) Organizational information

- Basic Information
 - Name
 - Contact
 - Nonprofit status
 - Number of nonprofit FTE employees

B) Type of Organization

- What types of services does your organization provide (check all that apply)
 - Housing
 - Food distribution
 - Health care or medicine
 - Community education
 - Tenant advocacy
 - Energy efficiency or home improvement
 - Other services (Fill _____)

C) Who does your organization serve?

- Number of people annually served in Portland
- Provide information about the following demographics of people that your organization serves, as a percentages of total people served annually.
 - Income
 - Race/Ethnicity
 - Age
 - Medical Conditions/Disabilities
- Provide a narrative or additional context about who is served by your organization

D) How many heat pump/cooling units annually is your organization interested in distributing?

- Ranges (select one)
 - 100 -200 units
 - 200 – 500 units
 - 500 -1000 units
 - 1000+ units

E) Capacity / Logistics

- What services is your organization able to provide, or that you would be able to contract out for in partnership. (Check all that apply)
 - Deliver heat pump/cooling units to people’s homes (requiring trucks/vans and appropriate loading equipment to get up stairs)
 - Install cooling units into people’s homes, including setup and window sealing
 - Deliver education about how to use the heat pump/cooling units, and collect basic information about who received the unit.
 - Check eligibility and register people for utility energy assistance programs (LIHEAP, Community Solar, Low income Energy Rate etc)
 - Install basic weatherization kits
 - Install LED light bulbs, faucet aerators and showerheads
 - Check in annually with resident to make sure that the cooling unit is operational, including changing filters and doing maintenance if needed
 - Additional services that you would like to include (_____)
- Briefly describe the approach that you would envision for implementing the services that you selected above. _____

F) Cost Estimates

- We plan to pay organizations for services on a per-home basis for services delivered. We recognize that organizations will have different costs and structures associated with implementing this program. Please estimate your costs associated with implementing of the services that you selected, based on the assumption of the total number of cooling units annually that you selected in Section D.

Service	Cost per home

- Additional cost elements that you would prefer to describe :

G) Workforce

- Leadership and staff demographics
 - PCEF priority communities include:
 - Black, Indigenous, and people of color
 - People with low income
 - People with disabilities
 - People who identify as women, non-binary, transgender, or two-spirit
- How much of your organization's staff and board reflect the PCEF priority communities? (checkboxes)
 - The majority: More than 50% of our organization's total staff and board reflect the PCEF priority communities
 - Less than half: Less than 50% of our organization's total staff and board reflect the PCEF priority communities
- PCEF has wage requirements that apply to any employee that is paid as part of a PCEF project. For this project, it would be 180% of the area minimum wage (\$26.55 as of July 1, 2022).
 - Verify that you can pay staff associated with this program the wage required, and that this has been incorporated into the cost estimates above (checkbox)
- Please describe the approach that you would use for delivering the services that you selected above (i.e., volunteers, existing paid staff, hiring on new staff, contractors, etc.)
- Please describe your approach to inclusion of PCEF priority populations (low-income, BIPOC, women+, people with disabilities) in the delivery of services. Please describe your approach to inclusion of PCEF priority populations (Black, Indigenous, and people of color, people with low income, people with disabilities. people who identify as women, non-binary, transgender, or two-spirit) in the delivery of services