



REQUEST FOR QUALIFICATIONS (RFQ)

HVAC Installers for Rental Properties

Ductless Heat Pump Promotion for Rentals

Energy Trust of Oregon, Inc. ("Energy Trust"), an Oregon non-profit 501(c)(3) corporation, is seeking qualifications from Respondents with experience installing single-head ductless heat pumps to create a pool of qualified contractors for its Ductless Heat Pump Promotion for Rentals. Multiple contractors may be selected for the pool based on the qualifications provided in their submission to this RFQ.

This offer is for rental properties that are detached single-family, attached side-by-side units, and duplex, triplex, and fourplex rental properties that:

- Currently use electric resistance heating from Portland General Electric or Pacific Power
- Could benefit from a ductless heat pump in their primary living space installed at a low, fixed cost

1. Energy Trust Overview

Energy Trust is an independent nonprofit organization dedicated to energy efficiency and renewable power development. Energy Trust's services, cash incentives, and solutions have helped participating customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, and Avista save more than \$8.2 billion on their energy bills. Since 2002, the organization's leadership has been a contributing factor in the region's low energy costs and in building a sustainable energy future. More information about Energy Trust's background, funding sources, strategic and action plans, policies and programs are available on our website at www.energytrust.org/about.

2. RFQ Background

The purpose of the RFQ is to provide Energy Trust with a pool of qualified expert HVAC contractors who are committed to improving comfort and energy savings for tenants of rental homes and who have historically low access to energy efficient equipment. Selected contractors act as a network of Energy Trust trade allies to collectively serve Portland General Electric and Pacific Power customers in Oregon.

Selected contractors will install single-head, single compressor (1:1) ductless heat pumps in the primary living space of residential rental properties at a **fixed price to owners**. Contractors will provide property owners with an **Energy Trust increased incentive of \$1,750 - \$2,000** depending on system size. This incentive would appear as a discount on the customer invoice, thus allowing property owners to pay reduced out-of-pocket costs for this heating system upgrade. Participating contractors would be required to cap customer out-of-pocket costs as follows:

Table 1. Proposed Increased Incentives and Maximum Customer Costs

Nominal Capacity	Proposed Incentive	RFP – Customer Out of Pocket Costs (Maximum)	RFP – Total Project Cost (Maximum)*	Allowable Add Ons
9,000	\$1,750	\$2,000	\$3,750	Up to \$500
12,000		\$2,200	\$3,950	
15,000	\$2,000	\$2,500	\$4,500	
18,000		\$2,500	\$4,500	

**Standard electrical costs are included in this project cost maximum. Additional electrical costs, or commercial permit costs above the cost of residential permit, may be included as an add-on with proper documentation*

The standard incentive for ductless heat pumps in single-family homes is currently \$500, and in multifamily homes is \$800. In order to drive participation in the rental market, Energy Trust aims to reduce customer out of pocket costs and is offering a robust increased incentive if contractors are able to meet the requirements as listed in this RFQ.

When responding to this RFQ, Respondents should specify their intended equipment for each size of ductless heat pump from (9,000 – 18,000 btu/hr), which correspond to the incentive groupings in Table 1, above. Respondents are not required to offer all sizes of these devices.

It is anticipated that Energy Trust will enter into a written contract with a limited number of Respondents through the RFQ process shortly after Energy Trust makes their selection. It is not expected that all Respondent submissions will be selected for written contracting. For selected Respondents, contracts will have a term ending December 31, 2021.

3. RFQ Schedule

Statements of qualifications are accepted on an ongoing basis through the promotional period. Respondent submissions will be reviewed, and Respondents will be contacted by Energy Trust within 30 days of Energy Trust’s receipt of a complete submission. Energy Trust may contract with Respondents accepted into the RFQ pool to begin installations on or after January 1, 2021.

All submissions, including questions, must be emailed to communitypartners@energytrust.org.

4. Participating Contractor Requirements

A) Residential Home Retrofit Trade Ally: Instant Incentive Provider

Contractors will be trade allies in good standing with Energy Trust. The successful candidates must be prepared to act as [Instant Incentive providers](#), offering the Energy Trust incentive as a discount on the customer’s invoice. Energy Trust will distribute this incentive to the trade ally after the installation is complete. Selected contractors will also be required to attend an onboarding orientation and sign a participation agreement prior to approval to participate in this promotion.

B) Demonstrated Experience and Interest

Successful candidates will have experience installing ductless heat pumps in residential markets. Candidates will be prepared to market this offer themselves, though Energy Trust will make efforts to reach out to rental housing associations and property management companies with information

about this promotion and provide them a list of participating contractors. Preference will be given to candidates who have experience or existing relationships with rental housing associations or property management companies. Special considerations will be given to candidates that are minority, women or veteran owned businesses, or those that serve rural areas.

C) **Active Promotion Participation**

Energy Trust is looking for contractors who actively engage rental properties, participate in trainings, and are responsive to Energy Trust forums and check-ins. Energy Trust reserves the right to reassess trade ally participation at any time including termination from the promotion due to low project activity.

5. Description of Work

Selected contractors will be responsible for abiding by program participation requirements, marketing this promotion, seeking clients and installing these systems in eligible homes. Energy Trust will provide limited marketing support by engaging with property management companies and landlords through rental forums, and by offering participating trade allies co-branded flyers. Marketing by individual contractors may be eligible for Business Development Funds. Find more information at: <https://insider.energytrust.org/programs/home-retrofit/business-development-fund/>.

Contractors will install systems in the primary living space (e.g. living room, Table 2) of eligible houses only and will use the equipment as proposed to Energy Trust. Contractors will provide Energy Trust’s incentive to customers up front as an Instant Incentive, thereby reducing the customer’s out-of-pocket cost. Contractors will make meaningful efforts to educate the tenant and landlord about the proper use and maintenance of the system that is installed, as well as leaving behind an Energy Trust provided [DHP users guide](#) Contractors will submit paperwork for incentive application no later than 30 days after project installation.

Invoices to property manager/owner will, at minimum, include itemized costs for the following:

- Costs of the system installed
- Each individual add-on
- Total installation cost
- Energy Trust incentive

Energy Trust will require the submission of this invoice as well as a **photo of the indoor head**, showcasing its location in the primary living space of the home. Eligible housing requirements are listed in Table 3; System requirements are outlined in Table 5.

Table 2. Living Spaces Definitions

Category	Definition
Eligible Primary living spaces	A large area of the home that is open to the living room. This can include a kitchen, dining room, or other location that serves the living room and otherwise optimizes a ductless heat pump for this home.
Ineligible Secondary living spaces	Any smaller or non-communal spaces such as bedrooms, bathrooms, offices, finished basements, or other similar small areas.

A) Eligible Properties

Table 3. Eligible Property Requirements

Eligible Property Requirements
<p>The home <i>must</i> be:</p> <ul style="list-style-type: none"> • An existing house or structure • A detached single-family home, an attached side-by-side unit, or a unit within a duplex, triplex, fourplex property • The home or unit must be a non-owner-occupied rental property • Heated primarily with electricity, either a furnace or zonal electric heat • Served by Pacific Power or Portland General Electric
Key Ineligibilities
<p>The following are not eligible for this promotion:</p> <ul style="list-style-type: none"> • Newly constructed homes • Homes or units that are owner-occupied • Homes or units with existing gas furnaces • Manufactured Homes • Accessory Dwelling Units (ADUs) – <i>unless pre-approved by exception</i> • Short term or vacation– <i>unless pre-approved by exception</i>

Table 4. Exception Requirements

Existing ADUs are not eligible unless pre-approved by exception
<p><u>The ADU <i>must</i>:</u></p> <ul style="list-style-type: none"> • Be a stand-alone residential structure (detached—no shared walls, floor, or ceiling) • Be a previously conditioned space with installed electric resistance heat • Have a primary living space of 200 square feet or larger where the DHP is installed • Be consistently occupied with electricity usage consistent with full-time occupancy • Have BOTH its' own qualifying utility account and rate schedule AND its own USPS address
Short-term or vacation rentals are not eligible unless pre-approved by exception
<p><u>The short-term or vacation rental <i>must</i>:</u></p> <ul style="list-style-type: none"> • Be consistently occupied with electricity usage consistent with full-time occupancy • Not be the owner's primary residence

Homes or units that heat with natural gas are not eligible for this promotion. Failure to comply with this and other program specifications may result in forfeiture of project incentive and the removal of a trade ally from participating in this promotion.

Energy Trust will ask trade allies to inform rental property owners to not raise the rent at the time of installation through (1) year after project completion due to an increase in the value of the rental home due solely to the installation of the ductless heat pump.

B) System Requirements for Ductless Heat Pumps

Table 5. System Requirements

Category	Ductless Heat Pump System Requirements
Efficiency Requirements	<ul style="list-style-type: none"> • HSPF must be 9.0+ • Compressor must be inverter-driven
System Sizes	<ul style="list-style-type: none"> • Systems must have a documented capacity between roughly 9,000 and 18,000 BTU/hr at 47°F • Single head ductless heat pumps only

C) Installation Requirements

A single-head ductless heat pump installed in the primary living space or living room of a home can provide a constant baseline of efficient heating or cooling while the incumbent existing electric resistance heating source can provide minimal support as needed for bedrooms and other parts of the home.

Table 6. Installation Requirements

Ductless Heat Pump Installation Requirements
<ul style="list-style-type: none"> • Indoor head must be installed in the primary living space of the home • Must include a 5+ year warranty for the heat pump and compressor against manufacturer defects in material which must cover parts • An additional 1-year labor warranty is required by the installing contractor

In addition to the requirements stated above, Energy Trust has created a suggested sizing guide for installations through this promotion. **If a contractor is uncomfortable with the sizing chart as outlined in Table 7, they are required to offer their own suggested sizing protocol** with justifications. Please note that capacities in Table 7 are based off **AHRI rated capacity and not a system's nominal capacity**.

Table 7. Suggested Sizing Calculator for Ductless Heat Pumps

Primary Living Area Square Footage	Approximate Capacity at 47° F	
	High UA (mediocre-to-poor insulation)	Low UA (good insulation)
200	12,000	9,000
400	15,000	12,000
600	18,000	15,000
800	18,000	18,000

D) Customer Education

Energy Trust finds that customer education on the use of a 1:1 ductless heat pump is critical for customers to receive the energy saving benefits of this upgrade. Contractors selected for this promotion will provide customer education to property owners and tenants about optimal system use that promote energy savings. Tenant behavior can greatly impact the energy savings potential of DHPs. Contractor-led education is crucial to successful installations that provide energy savings over

time and reduce contractor callbacks. Customer education is prioritized in the selection criteria for the promotion.

New to promotion in 2021: Participating contractors must provide owners and tenants with a customer-facing best practices guide for DHP use supplied by Energy Trust, in addition to the customer education tactics written in the RFQ and Participation Agreement.

E) Work Quality Verification

Systems installed are subject to Work Quality Verification inspections by Energy Trust staff. The program will require contractors to submit a photo for each project showing the indoor head location. Energy Trust may ask contractors to support on-site or virtual inspections for work completed.

If a contractor is found to have claimed incentives for placing 1:1 DHPs in bedrooms or other secondary living spaces, or homes with non-electric primary heating fuel, they will be required to surrender their incentive and may be removed as a participating trade ally from this promotion.

6. Submission Requirements

Please provide a short letter describing your qualifications that address each of the following requirements. The only exceptions to the fixed price are the adders laid out in the System Details section, below. To simplify the application process, Energy Trust has created an optional template for your application available for download at <https://www.energytrust.org/about/explore-energy-trust/rfps-rfqs/>.

A) Experience

Describe your company and its ability to meet the participating contractor requirements specified in **Section 4**. Specifically, please include:

- a. Your company's name, size, years of operation, and trade ally status. Include a point of contact (including name, email address, and phone number) for this RFQ.
- b. Any experience **designing/installing ductless heat pump systems**, especially in the **existing homes** market. Include how often your company installs DHPs? How many per year? Is this a large, medium, or small volume of your overall projects?
- c. Why you are **interested** in this promotion.
- d. Any **marketing** or sales strategies your company could provide that would be relevant to this promotion? Include any strategies including rental owner industry partners, property management associations, or events.
- e. Any **financing** that you will be able to offer to landlords/property management companies.
- f. If your company interested in **providing an assessment of other energy upgrade opportunities** for the property (e.g. Insulation, Hot Water Heater, etc.).
- g. Any additional information about your company that is relevant to this promotion.

B) Company Information

Please describe the local structure of your organization including project volume, operational capacity, financial stability, number of employees, and other resources. Include any other information about your company that is relevant to this promotion.

C) Service Area

Provide information about your office location and preferred range of travel. If you typically serve a larger area than you're willing to serve in this promotion, please indicate that here and let us know why there is a difference.

D) Customer Education

Tenant behavior can greatly impact the energy savings potential on DHPs. Contractor-led education is crucial to successful installations that provide energy savings over time and reduce contractor callbacks. Please include answers to the following questions:

- What factors result in the most **customer callbacks** and issues? Describe these issues and what steps you take to address and minimize them.
- What is the most important knowledge about a DHP that a customer should know?
- How do you plan to educate customers?** (e.g. Will you leave any information behind? Will you remind customers via email 6 – 12 months after install about recommended settings?) Please note who you expect to educate, and how. *Customer education is prioritized in the selection criteria for the promotion.*
- Given that these systems will be installed in rental properties, what strategies do you have that will enable new tenants to optimally use their DHP? How would you provide information to property owner and tenants about the most efficient use of DHPs?
- How will you ensure that the resistance heat will be triggered only when needed as supplemental heat?

E) System Details

Please provide details for the ductless heat pumps that you are proposing to use for this fixed price promotion. Include all information requested in the matrix below, including **model numbers** of units with matching **nominal capacity, HSPF and AHRI numbers**. Please provide the total project cost for each system proposed.

Contractors are encouraged, but not required, to offer systems at each size (9-18K BTU/hr, nominal capacity). Additionally, you may offer more than one system at a given nominal or rated capacity.

Table 8. Proposed DHP systems

Nominal Capacity (Btu/hr)	AHRI Rated Capacity at 47° (Btu/hr)	Manufacturer/ Outdoor Model #	Indoor Model #	AHRI #	HSPF	Proposed Total Project Cost	Total Project Cost (Maximum)
9,000							\$3,750
12,000							\$3,950
15,000							\$4,500
18,000							\$4,500

In addition to the system details from the table above, please include the following information:

- Comfort level with suggested sizing protocol outlined in **Section 5?** If you are not comfortable with the guide as described, provide your proposed sizing methodology with justifications for these choices. Trade allies who do not quote systems at each capacity are required to update the sizing guide or describe in what homes they would not install a system.
- Descriptions of **warranties** that ensure the long-term durability, operation, and maintenance of each installation
- Manufacturer's cut sheet for each system

- d. Identify any **additional lower cost services** you would like to offer or provide that benefit rental owners or tenants as a part of this promotion?
- e. Identify costs for each of the **adders** described below.

The adders outlined below are additional costs beyond the fixed out-of-pocket costs listed in Table 1. A contractor may charge up to \$500 total, at the request of a customer, for any combination of adders. In your response, please include the cost of extra service for the following adders:

- Wall thermostat instead of handheld remote
- 2-Year maintenance agreement
- Baseboard removal: *Please include a description of your baseboard removal package or services, if applicable.*
- Additional line set and line hide
- Additional electrical work beyond a standard installation. This could include:
 - Additional circuit added to electrical panel
 - Outdoor service plug installation
 - Other electrical work required before inspection
- “Sweat Equity” Installation Reduction: *Do you ever allow owner or customer to take on a portion of the work in order to reduce overall cost? Please describe what work you would allow the owner or customer to perform.*

Please note: Commercial permit costs are generally higher than residential permit costs. When a commercial permit is required, *the difference* in cost is allowable as an adder. This difference in permit cost is relevant to projects in attached side-by-side units, and duplex, triplex, and fourplex rental properties only. This cost must be shown as a separate line item on the invoice and the receipt detailing commercial permit costs must also be submitted

7. Governing Provisions

All submitted proposals are subject to the following governing provisions:

A) Agreement to All Terms

By submitting a response to this RFP, the Respondent represents that it is authorized to submit a response, all information provided in the response is true and correct, and the Respondent explicitly agrees and accepts the following provisions of this RFP and all other terms and conditions set forth in this RFP.

B) Right to Accept or Reject

This RFP is not an agreement to purchase goods or services. Energy Trust is not bound to enter into a contract to purchase goods or services with any Respondent. Energy Trust reserves the right to modify the terms of this RFP at any time in its sole discretion. This includes the right to cancel this RFP at any time. Further, Energy Trust reserves the right to waive any nonconformity in submissions received, to accept or reject any or all of the items in the submission and award any ultimate contract in whole or in part as it is deemed in Energy Trust’s best interest.

C) Ownership of Responses

All materials submitted in response to this RFQ shall become the property of Energy Trust and shall not be returned to the Respondent.

D) Confidentiality

Respondents shall clearly identify those portions for their responses that they do not want revealed to third parties and label such portions as “Confidential Information.” Except as required under law or for regulatory purposes, Energy Trust will maintain confidentiality of such information.

E) Respondent Expenses and Waiver of Claims

Respondents are solely responsible for their own expenses in preparing a response and for any subsequent negotiations. Energy Trust will not be liable to any Respondent for any claims, whether for costs or damages incurred by the Respondent in preparing the response, loss of anticipated profit in connection with any final contract or any other matter whatsoever.