

Office of Energy Efficiency and Renewable Energy (EERE)

FINANCIAL ASSISTANCE COMBINED BUDGET EVALUATION AND NEGOTIATION MEMORANDUM

This budget evaluation/negotiation memorandum will be prepared jointly by the assigned EERE program and procurement personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned EERE program and procurement personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

1. Recipient: Washoe Tribe of Nevada and California

2. Type of Action: ☒ New Award ☐ Renewal ☐ Continuation ☐ Revision

Add a description of this Action: (NOTE: Indicate what is addressed by this Action only):

New award competitively selected under Funding Opportunity Announcement DE-FOA-0001021, titled "Deployment of Clean Energy and Energy Efficiency on Indian Lands". This action obligates all funds (DOE \$498,087/ Recipient \$78,812 / Total Project Costs \$576,899), with none of the funds being conditioned.

3. Cooperative Agreements are the default award instrument for EERE. Below, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award). **If the award is not a cooperative agreement, provide the rationale below and include the deviation approval in the STRIPES file.**

Per statute (Title V of the Energy Policy Act), "may provide grants, on a competitive basis, to an Indian tribe or tribal energy resource development organization for use in carry out – (A) energy, energy efficiency, and energy conservation programs; (b) studies...". Further, as approved in the FOA Requirement Document and documented in the Funding Opportunity Announcement (which was approved prior to the new policy guidelines about using cooperative agreements), "DOE anticipates awarding grants under this funding opportunity announcement." Based on the above, this award will be a grant.

4. New/Revised Budget Periods for this Award:

Budget Period 1:	From: 4/15/2014	To: 4/14/2016
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5. Compliance Assessment (skip if new award)

a. Deliverables:

- i. The Recipient is current in submitting required reports: ☐ Yes ☐ No
- ii. If no, identify the delinquent report(s), indicate what action(s) have been taken to remedy the situation, and identify what further action(s) are necessary, if any:

New Award - Not applicable

b. Financial:

- i. The Recipient is current in meeting the cost share requirement: ☐ Yes ☐ No
- ii. If no, indicate what action(s) have been taken to remedy the situation and validate why this new action should proceed:

New Award - Not applicable

6. The default payment method for State, Local and Tribal Governments, Institutions of Higher Education, Hospitals, and Non-Profit Organizations is ASAP Advance with Approval Required. The default payment method for For-Profit Organizations is reimbursement through ACH Vipers. Please state the payment method that will be used for this award in the box below. If the default payment method is not planned for a new award, provide an explanation below. Also, explain below if the payment method for the award is being changed by this action.

The Recipient indicated on the Pre-Award Information Sheet that Reimbursement is its preferred payment method. As the Statement of Project Objectives (SOPO) includes a GO/No-Go decision point which in essence conditions funds, it is essential to manage funds. As such, the Project Officer requests that the Recipient be placed on ACH through the FAST system and supporting documentation be required before reimbursement is made.

Note: The Recipient has requested and received approval from the Contracting Officer to waive the requirement for Cost Share contribution on a per Invoice basis; with this, Cost Share contribution will be required on a per Budget Period basis (see approval documentation in the supporting documents file for this award) .

7. Complete the Budget Table below. Only fill in numbers for the Original Budget Submission and Final Negotiated Costs – the Percent Change and the Percent of Total Negotiated Budget will calculate automatically.

Budget Cost Category	Original Budget Submission	Final Negotiated Costs	Percent Change from Original Submission	Percent of Total Negotiated Budget
Personnel	\$9,766	\$9,765	0%	1.7%
Fringe Benefits	\$4,212	\$4,212	0%	0.7%
Travel	\$3,050	\$5,550	82%	1.0%
Equipment	\$0	\$0		
Supplies	\$500	\$500	0%	0.1%
Contractual	\$474,544	\$553,356	17%	95.9%
Construction	\$0	\$0		
Other	\$121,158	\$850	-99%	0.1%
Total Direct Charges	\$613,230	\$574,233	-6%	99.5%
Indirect Charges	\$2,141	\$2,666	25%	0.5%
TOTAL	\$615,371	\$576,899	-6%	100.0%
Program Income				
DOE Share (non-FFRDC)	\$495,063	\$498,087	1%	86.3%
DOE Share (FFRDC)				
Total DOE Share	\$495,063	\$498,087	1%	86.3%
Non-Federal Cost Share	\$120,308	\$78,812	-34%	13.7%

After budget amounts are inputted, areas that require additional explanation will be automatically highlighted:

Change in individual cost category exceeds \$100,000 or 30%; Requires explanation in Question 10 below.

Exceeds threshold for cost category; Requires explanation in corresponding budget review section below.

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

8. a. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: 20 %
 b. Actual Total Adjustment based on Budget Table Above: -6 %
 c. Briefly explain any changes that were made as a result of any Negotiation Strategy specified in the Selection Statement.

None identified in the Selection Statement.

9. Provide the date of the initial budget negotiation call* with program and procurement personnel and the Recipient: 3/27/2015

Negotiation call correspondence** is included in the STRIPES file: ☒ Yes ☐ No

The 'Negotiation Call Agenda' Template was followed during the Budget Negotiation Call: ☒ Yes ☐ No

10. Using the Budget Table above, briefly describe and explain any significant budget changes (changes in any of the individual budget cost category from the Original Budget Submission to the Final Negotiated Costs that exceed \$100,000 or 30%. (Please reference relevant submissions and correspondence, and include these in the STRIPES file).

TRAVEL: Travel costs were originally proposed at \$3,050 and are comprised of 1 trip to the DOE Tribal Energy Program Review (\$2,500) and mileage for travel to the seven project sites during the 12 month project period (\$550). After the Negotiation call, Travel costs were revised to \$5,550 to include 2 trips to the DOE Tribal Energy Program Review (\$5,000) as required by the Program, in addition to mileage for travel to the seven project sites. Number of trips to the Program Review was increased to include one trip in 2015 and one trip in 2016.

OTHER: Other costs were originally proposed at \$121,158 to include \$120,308 for rebate reservation notice costs and \$850 for various costs for the project (phone, electricity, internet, postage, water, sewer, etc.). Per the Supplemental data email as received from the Tribe on 3/27/15, the NV Energy funds shown as the rebate reservation notice costs, shown as Other Costs in the original Budget Justification are part of the cost share and not an expenditure. As such, Other costs were reduced to \$850 for various costs for the project (phone, electricity, internet, postage, water, sewer, etc.).

See additional details in the Technical Evaluation of Proposed Costs attached.

11. Briefly describe and explain any substantial changes to the original scope of work submitted by the Recipient. Also describe and explain any material changes to the award as a whole: i.e., changes in cost share, changes in site locations, changes made that may affect the utilized program policy factors in the FOA, etc.:

Project Officer Commentary: No substantive changes.

DETAILED REVIEW OF FINAL NEGOTIATED BUDGET

12. Personnel: \$9,765

Not Applicable, the Recipient did not propose Personnel costs: ☐

Project Officer: The proposed Personnel costs totaling \$9,766 reflect an average hourly rate of \$23.53 for 415 hours or 0.2 FTE (2.39 person-months) to manage 12 month solar installation at 7 sites as well as grant management and contract oversight. The hours are broken down as follows: Environmental Director – 40 hours at \$38.89/hr.; Environmental Coordinator – 40 hours at \$32/hr.; Environmental Specialist II – 320 hours at \$21/hr. and Administrative Assistant – 15 hours at \$14/hr. (Note: The recommended Personnel cost is rounded down from \$9,766 to \$9765 to account for rounding issue of one excess dollar due to Personnel and Fringe cost calculations in the original budget.

The proposed hours and rates are considered reasonable and necessary to monitor the vendor completing the solar installation for this project and to conduct grant management.

The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☒

- i. The labor hours proposed in the negotiated budget are reasonable for the scope of work.
- ii. The types of labor and labor mix proposed in the negotiated budget are reasonable.
- iii. The proposed labor rates are reasonable.

Comments: None.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☒

13. Fringe Benefits: \$4,212

Not Applicable, the Recipient did not propose Fringe Benefit costs: ☐

Project Officer: Proposed Fringe costs of \$4,212 are comprised of FICA Medicare, FICA Social Security, SUTA, SIIS, Vacation Liability, Retirement Plan, Health Insurance and Liability Insurance as applied to the Personnel Costs of \$9,765. With this, Fringe Costs average 43.13% of Personnel costs.

A. Does the Recipient have an approved rate agreement: ☐ Yes ☐ No

If No, select one of the following:

☐ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)

☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award

☐ Specialist determined that rate was reasonable based on 35% Budget Review Policy

☒ Other: Under new fringe determination policy, the specialist determines that the component breakdown of fringe elements and the resultant application is reasonable and correctly applied as shown below.

B. Please fill out the following table with the negotiated costs:

Personnel	Total Cost	Fringe Rate	Cost
FICA Medicare	\$9,766	1.45%	\$142
FICA Social Security	\$9,766	6.20%	\$605
SUTA	\$9,766	2.70%	\$264
SIIS	\$9,766	2.21%	\$216
Vacation Liability	\$9,766	6.00%	\$500
Retirement Plan	\$9,766	6.00%	\$500
Health Insurance \$785 /month x .20 FTE x 12	\$9,420	20%	\$1,884
Liability Insurance \$42/month x 12 months x 1 yr x .20 FTE	\$504	20%	\$101
Total:	\$68,520		\$4,211

Comments: \$4212 is recommended as reasonable and applied correctly. The \$1 difference in the table above is attributed to rounding error.

The Specialist has determined that the fringe benefit costs in the negotiated budget were appropriately applied and recommends these costs as reasonable: ☒

14. Travel: \$5,550

Not Applicable, the Recipient did not propose Travel costs: ☐

Project Officer: Travel costs were originally proposed at \$3,050 and were comprised of 1 trip to the DOE Tribal Energy Program Review (\$2,500) and Mileage for travel as required to the seven project sites during the 12 month project period (\$550). Per the Negotiation call, the Project Officer request the travel be increased to meet the Program requirement for attendance at the Program Review in May 2015. As a result, Travel costs were revised to \$5,550 per the revised Budget Justification and are now include 2 trips to the DOE Tribal Energy Program Review (\$5,000), and mileage as originally proposed to the project sites. Number of trips to the Program Review was increased to include one trip in 2015 and one trip in 2016.

Each trip to the Program review is estimated at \$2,500, and based upon internet pricing is considered reasonable for a 5-day trip to Denver in 2015 and 2016. The mileage to travel between the 7 PV installation sites is estimated at 1,000 mile at \$0.55/mile over the course of the 12 month project. The total travel is considered reasonable for budgetary purposes and necessary.

A. The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☒

- i. The number and type of trips proposed in the negotiated budget are reasonable for the scope of work.
- ii. The costs per trip proposed in the negotiated budget are reasonable.

B. Is foreign travel included in the negotiated budget: ☐ Yes ☒ No

Comments:

Comments: None.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☐

15. Equipment: \$0

Not Applicable, the Recipient did not propose Equipment costs: ☒

There are no direct Equipment costs for this project and equipment costs are included under Contractual.

A. The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☐

- i. The type(s) of equipment proposed in the negotiated budget is/are reasonable for the scope of work.
- ii. The equipment costs proposed in the negotiated budget are reasonable.

B. Are quotes provided for each proposed equipment item with a total cost exceeding \$50,000: ☐ Yes ☐ No

Comments:

Comments: N/A.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☐

16. Supplies: \$500

Not Applicable, the Recipient did not propose Supplies costs: ☐

Project Officer: Supply costs are proposed for General Office Supplies at \$500 (\$41.66/month for the 12 month project). Costs are based upon historical pricing. Per email from Tribe on 4/3/15, Supply costs are considered direct charges. The Tribe's indirect cost rate does not include supplies for the grant project. Please reference Indirect Cost Rate Agreement documents, for further clarification. These costs are considered reasonable and necessary to complete project reporting and grant monitoring.

A. The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☒

- i. The types /quantities of supplies proposed in the negotiated budget are reasonable based on the scope of work.
- ii. The costs of supplies proposed in the negotiated budget are reasonable.

Comments:

Comments: None.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☒

17. Contractual: \$553,356

Not Applicable, the Recipient did not propose Contractual costs: ☐

Project Officer: Contractual costs were originally proposed in the application at \$474,544, excluding the incentives to be obtained from NV Energy. No additional supporting cost documentation was provided. Contractual costs were revised to \$553,356 with the revised Budget Justification and comprised the total of all PV installation costs/services to be provided by Black Rock Solar, per detailed quote provided 4/2/15, as Supplemental Data. The increase reflects the total cost of the systems including the cost shared portion.

The only vendor proposed for this project is Black Rock Solar. The Tribe has requested and received Sole Source approval for this vendor via email from the Contracting Officer on April 3, 2015 (see approval documentation in the supporting documents file for this award).

Black Rock Solar has provided a quote detailing the installation of a turn-key solar project including seven (7) ground-mounted, grid connected, net metered, solar arrays ranging from 8 to 37 kilowatts AC. The costs to attend two Tribal Energy Program conferences, design, procure equipment, construct, and commission the arrays are \$553,356. In addition, Black Rock Solar will work with the utility NV Energy to ensure all financial incentives for this project are received.

Per the proposal provided, Black Rock Solar will install 16.083 kW of PV at an average installed cost per watt of \$3.39 which is consistent with current average cost per watt installed for solar systems. In addition, Black Rock Solar will attend the DOE Tribal Energy Program Review with the representative of the Washoe Tribe in 2015 and 2016 at an average cost per trip of \$2,853 (see additional detail in the Technical Evaluation of Proposed Costs attached).

Based upon the project type, number of installation locations, time spent acquiring rebates from NV Energy and attendance at 2 DOE Tribal Energy Program Reviews, these costs are considered reasonable and appropriate for the scope of work proposed.

A. The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☒

- i. The subrecipients proposed in the negotiated budget are appropriate for the scope of work.
- ii. The contractual costs proposed in the negotiated budget are reasonable.

B. Are quotes provided for each proposed vendor with a total cost exceeding \$250,000: ☒ Yes ☐ No ☐ N/A

If no, provide an explanation: N/A

C. Did the Recipient propose any subrecipients with total costs that exceed either \$250,000 or 25% of total project costs?

☐ Yes ☒ No

D. Did the Recipient submit a Statement of Work and Budget Justification for subrecipients that exceed either \$250,000 or 25% of total project costs? ☐ Yes ☒ No N/A

Comments: None.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☒

18. Construction: \$0

Not Applicable, the Recipient did not propose Construction costs: ☒

There are no Construction costs for this project.

The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☐

- i. The type of construction proposed in the negotiated budget is appropriate for the scope of work.
- ii. The construction costs proposed in the negotiated budget are reasonable.

Comments:

Comments: N/A.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☐

19. Other Direct Costs: \$850

Not Applicable, the Recipient did not propose Other Direct costs: ☐

Project Officer: Other costs were originally proposed for the project at \$121,158 and included \$120,308 for rebate reservation notice costs and \$850 for various costs for the project (phone, electricity, internet, postage, water, sewer, etc.) Per the Supplemental data email as received from the Tribe on 3/27/15, the NV Energy funds shown as the rebate reservation notice costs, shown as Other Costs in the original Budget Justification, are part of the cost share and not an expenditure. Note that the total installed system costs are now accurately reflected in the increased Contractual costs.

As such, Other costs were reduced to \$850 for various costs for the project (phone, electricity, internet, postage, water, sewer, etc.). The proposed costs of \$850 include various utility and other costs attributed to the Project over the 12-month

project period at \$70.83/month. Per email from Tribe on 4/3/15, the remaining \$850 in Other costs are considered direct charges. The Tribe's indirect cost rate does not include these charges for the grant project. Please reference Indirect Cost Rate Agreement documents, for further clarification. These costs are considered reasonable and allocable to this award.

The Technology Manager/Project Manager has reviewed the costs and finds them reasonable and appropriate for the scope of work to be performed, based on the following statements: ☒

- i. The types of other direct costs proposed in the negotiated budget are reasonable for the scope of work.
- ii. The costs proposed in the negotiated budget for other direct costs are reasonable for the scope of work.

Comments:

Comments: None.

The Specialist recommends these costs as reasonable, allowable, and allocable: ☒

20. Indirect Charges: \$2,666

Not Applicable, the Recipient did not propose Indirect Costs: ☐

A. Does the Recipient have an approved rate agreement: ☒ Yes ☐ No

If No, select one of the following:

- ☐ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)
- ☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award (attach Cost/Price Analyst Determination)
- ☒ Specialist determined that rate was reasonable
- ☐ Other: _____

B. Please fill out the following tables with the negotiated costs:

Base Item	Base Cost	Rate	Indirect Cost
Personnel	\$9,765	12.77%	\$1,247
Fringe	\$4,212	12.77%	\$538
Travel	\$5,550	12.77%	\$709
Supplies	500	12.77%	\$64
Other	\$850	12.77%	\$109
Total	\$20,877		\$2,666

Comments: The Indirect rate applies to a base of Total Direct costs less capital expenditures and pass-through funds per the Indirect rate agreement provided.

The Specialist has determined that the indirect costs in the negotiated budget were appropriately applied and recommends these costs as reasonable: ☒

21. Cost Share:

Project Officer: Cost share was originally proposed at \$120,308 from NV Energy Incentives. Per Cost Share Commitment letter from Black Rock Solar, cost share in the amount of \$78,812 will be provided by Black Rock Solar for the project. Please note that the reduced cost share percentage of 13.66% reflects the option for reduced cost share as approved in the FOA Requirements Document and documented in the FOA. Note that the ASEE has approved the reduced cost share (see signed reduction memo).

A. Project Type: ☐ Research & Development ☐ Demonstration ☐ Education & Outreach ☒ Other: Deployment

B. The minimum statutory cost share required for this award is: 50 %

C. The Recipient negotiated cost share for this award is: 13.66 %

Comments: As approved in the FOA Requirements Document and published in the FOA, applications could request reduced cost share of no less than 10% if determined they had financial need and documented the economic and

environmental benefits as part of their request. Golden Cost/Price staff determined the Washoe Tribe to have financial need and the Federal cost share panel recommended accepting the reduced cost share as justified by their request. However, the ability to accept a reduced cost share is predicated on the approval of the ASEE. See the signed cost share reduction memo.

A. Did the Recipient certify that they will meet the cost share percentage on an invoice basis on the Pre-award Information Sheet? ☐ Yes ☒ No

If no, provide comments and cost sharing schedule:

B. Is the proposed cost share: ☒ Cash ☐ In-kind

If in-kind cost share, provide basis of value and allowability/reasonableness:

C. Third Party cost share commitment letters have been obtained: ☒ (Please include letters in permanent STRIPES file)

22. Risks / Special Provisions:

Detail any risks that were found after review of the award and explain any provisions that were added to the award to mitigate risk. Specifically, explain risks associated with the following:

- A. The PMC 121.1, including: Disclosure of Potential Improprieties, Potential Conflicts of Interest within the Project Team, Potential Overlap with Other Applications, Financial Management/ Accounting System Survey, Representation/Certifications.
- B. The Recipient's A-133, Independent Audit, and/or 316 Compliance Audit.
- C. Any other risks or issues.

Comments: As cost share will not be provided on an invoice-by-invoice basis and is subject to receipt of incentives from NVEnergy (as committed to by Black Rock Solar), the risk is increased. Additionally, a Go/No-Go is included as part of the work plan and as such funds in essence conditioned. As a result, the Project Officer is requesting payment by reimbursement through the FAST system and that each invoice be supported. While the audit provided did not find any material weaknesses or significant findings, the recipient is not identified as 'low-risk'.

RECOMMENDATIONS/APPROVAL

Signatures of the Technology Manager/Project Manager and Grants Management Specialist, indicating their recommendations, as indicated below, will occur after their mutual agreement on the contents of this document, and before the review and approval process for the action. The signatures below indicate that the costs in the negotiated budget are reasonable, allowable, and allocable.

1. Technical Recommendation

I have evaluated the proposed project costs in accordance with established best practices. The final negotiated costs are appropriate and reasonable for the negotiated scope of work


 _____
Signature Date 4/14/2015

Lizana Pierce

Technology Manager/Project Manager

2. Specialist Recommendation

In view of the above analysis, the budget evaluation, and considering all known factors, this Award is recommended.

 _____
Signature Date 4/10/2015

Edward Campbell

Grants Management Specialist

3. Contracting Officer Approval*

☐ I concur with the above recommendation and have determined that the Recipient is responsible. I consider this Award to be in the best interest of the Government, and approve the award documents.

Signature Date

Geoff Walker

Contracting Officer