

HPD's Resilient & Equitable Decarbonization Initiative: Existing Buildings (REDi: EB) RIDER TO CONTRACT between Owner and Contractor

October 2024

General:

This Rider ("Rider") is annexed to and made a part of the Agreement ("Agreement"), dated _____, between _____ ("Owner") and _____ ("Contractor") for certain work described therein ("Work") at _____ ("Project").

The Agreement, this Rider, and any conditions, drawings, specifications, addenda, other documents listed in the Agreement (collectively, the "Contract") shall not be modified or amended without the prior written approval of the City of New York Department of Housing Preservation and Development ("HPD").

Contractor acknowledges that:

- Owner has obtained funding from HPD to finance all or part of the cost of the REDi: EB Scope of Work, as defined in the Project's Final Award Letter (the REDi: EB Scope) and as such, the Contractor is obliged to meet certain requirements outlined in this Rider.
- A Technical Assistance Provider (TAP) will oversee the REDi: EB scope to verify that the applicable technical requirements are met, and consolidate lessons learned for future HPD electrification projects. The contractor shall reply to TAP requests for information and adapt means and methods to satisfy the Technical Requirements as clarified by the TAP.

Con Edison Clean Heat Program Compliance:

- Subcontractor installing the heat pump equipment must meet all current requirements of NYS Clean Heat Program and be a Participating Contractor. Instructions for contractors to join this network can be found in the [Clean Heat Program Manual](#).

General System Installation:

- Systems and system components must be installed in accordance with manufacturer specifications and installation requirements, and in compliance with all applicable laws, regulations, codes, licensing and permit requirements including, but not limited to, the New York State Environmental Quality Review Act, the Statewide Uniform Fire Prevention and Building Code and State Energy Conservation Construction Code, the National Electric Code, Fire Codes and all applicable State, city, town, or local ordinances or permit requirements.

- All installers of HVAC equipment utilized on REDi: EB projects must provide proof of training by the heat pump equipment manufacturer. This includes at a minimum, the lead installer who will be present during installation and testing of equipment.

Technical Requirements:

- In addition to items listed above (General System Installation) and all HPD and Clean Heat requirements, Contractor must agree to comply with the applicable HPD-NYSERDA Technical Requirements as listed in Exhibit A (the “Technical Requirements”).
- All projects, regardless of DOB Energy Code C408 Requirements, will be subject to Required System Testing, per the Technical Requirements.
- **IMPORTANT:** The REDi program is directing a very high priority to preventing refrigerant leaks. Refrigerant leaks contribute substantially to global warming, will increase energy use in the building, and could place resident health at risk through inadequate heating and cooling. All technicians working with refrigerant charging and connecting refrigerant piping shall review and certify in writing that they have received and read HPD’s Refrigerant Charging and Leak Prevention Requirements, and shall attend the project kickoff meeting, and shall sign the refrigerant charging report.

Equipment Maintenance & Use:

Contractor shall provide the following set up and maintenance items:

- All items outlined in the Technical Requirements, including presetting of all thermostats according to set-points and limits outlined in the Technical Requirements
- Provide an optional maintenance contract to the building owner that is fair and reasonable, and meets the minimum standards recommended by the System manufacturer(s) and the HPD-NYSERDA VRF & Split System Maintenance Plan and Service Contract Checklist noted in Appendix A.
- Participate in at least one meeting with owner team and TAP to develop relevant training and documentation for building residents on the use of heating/cooling systems and related equipment (e.g., thermostats) in both heating and cooling modes.
- Participate in at least one meeting with owner team and TAP to develop relevant training and documentation for building staff on operation and maintenance of all Systems.
- Provide a detailed manufacturer’s operation handbook as well as a maintenance manual containing information on the major components and a schedule of required system maintenance, including maintenance and testing requirements of antifreeze solutions used on the project and any start-up/commissioning documentation for the system(s). For commercial-grade VRF systems or systems over 5-tons, the O&M manual must include as-built drawings.

System Warranties for Heat Pump Equipment:

Contractor shall provide parts and labor warranties as outlined in the applicable Technical Requirements, including for Space Heating and Domestic Hot Water systems.

Submittals, Access, Reviews, Site Visits & Inspections:

- Contractor is required to submit approved cut sheets and other documentation related to REDi Scope Items, as required by the TAP.
- The TAP will conduct the following site inspections, at minimum, for all buildings in the REDi program, alongside HPD or the Bank Engineer:
 - Commencement (“kick-off” meeting),
 - Open Wall (at completion of System rough-in) including pressure test of refrigerant lines
 - Final (substantial completion)
- The TAP shall be entitled to
 - make additional visits as deemed necessary
 - request data-logs and reports from the heat pump service tool
 - inspect, review and approve or reject the Work on behalf of HPD or the approved representative and NYSERDA as necessary
- NYSERDA shall be entitled to join site visits alongside TAP or as deemed necessary

Incentive Payment Structure:

REDi: EB funds shall be allocated towards construction and completion of the Approved REDi: EB Scope items, as approved by the TAP and HPD and outlined in the Final Award Letter.

REDi: EB funds will be placed into the Owner’s servicing account alongside other HPD funds and drawn on through the standard requisition process. The Project’s General Contractor (GC) will provide the TAP with a copy of each requisition, with all relevant REDi: EB Scope items highlighted and easily identifiable and including invoices pertaining to the purchase and installation of REDi: EB Scope items. Additional documentation may be requested, e.g., photo documentation for major REDi scope items. If the TAP finds major discrepancies in the amount of REDi: EB funds being requested or with the construction of REDi: EB Scope items, the TAP reserves the right to deny or adjust the amount of REDi: EB funds distributed. The final REDi: EB payment will be released upon successful Required Testing of the systems as outlined in the Technical Requirements and including proof that resident and staff resources have been provided.

Owner and Contractor shall comply with the requirements regarding disbursements in the HPD financing documents in order to requisition for REDi funds.

Owner and Contractor acknowledge that any changes to the Approved REDi: EB Scope or Scope Items must be reviewed and approved by HPD and the Senior Lender, if any, and if so approved, HPD may revise the Final Incentive Amount if a portion of the Approved REDi: EB Scope is removed or changed.

Bidding Requirements:

The contractor is required to separately itemize all costs specifically related to the project's REDi: EB Scope so that the REDi scope can be identified on the project's requisitions, per the Payment Structure above. The following items must be itemized in the contractor's bid and on all subsequent payment requests:

- The total amount of the REDi: EB Scope
 - The sum of all covered REDi: EB scope items
- Itemized costs for all covered REDi: EB scope items:
 - Demo of existing space heating system, including distribution system, and resultant patching of that system.
 - Supply and Install of all covered Space Heating systems ("Systems") where applicable including all components, including interconnecting refrigeration piping, pipe insulation, and controls, and required System testing including refrigerant charging and refrigerant leak testing/prevention, and training of the owner in the controls.
 - Supply and Install of all covered Hot Water systems ("Systems") where applicable including all components, including storage tanks, interconnecting refrigeration piping, water piping, recirculation piping, pipe insulation, and controls, and required System testing, including refrigerant charging and refrigerant leak testing/prevention, and training of the owner in the controls.
 - Electrical and Plumbing work required specifically for the installation of these Systems (e.g., line/ low voltage wiring, condensate lines, etc.). This includes breakers for the heat pumps, power wiring from the panel to the heat pump, the disconnect at the outdoor unit and the convenience receptacle required by code near the outdoor unit. This also includes all work related to condensate removal and drainage.
 - Electric Wiring and Service Upgrades associated with the Systems. This includes costs for Con Ed to upgrade the service to the building, if any; the cost of new electric panels or subpanels, if required; and the cost of new feeders and conduit to panels, if any. This does not cover breakers for the heat pumps, or power wiring from the panel to the heat pump itself, the disconnect at the outdoor unit, and the convenience receptacle required by code near the outdoor unit (which are to be included in the item above).
- Note that electrical service and distribution work not specifically related to the Approved REDi scope shall be listed separately (e.g., electrical upgrades related to electric cooking).

- Dunnage, supports, or other structural or aesthetic material and labor required specifically for installation of the Systems
- Supply and Install of all the following covered Envelope Systems (“Envelope Systems”), including wall insulation, high-performance windows and high-performance roof assemblies for projects receiving funding for Scope 3
- Supply and install of all covered Energy Recovery Ventilation Systems (“Ventilation Systems”), including all components, controls, electrical work, power wiring, breakers, and required System testing for projects receiving funding for Scope 3 All other costs not mentioned above, including additional filing or permitting fees or other costs specific to the installation of covered Systems.
- Itemized Cost for the following items that are required but not covered by REDi: EB funding: Supply and Install of electric cooking equipment (“Cooking Systems”), including electrical work required specifically for the installation of electric cooking and including breakers, power wiring, disconnects, and receptacles.
- Supply and Install of non-covered Envelope Systems where applicable, including air-sealing, roofing & roof insulation, and windows
- Unit costs for all covered REDi: EB scope items for the purpose of change orders

AGREED TO AS OF: _

OWNER: By: _

Name:

Title:

CONTRACTOR: By: _

Name:

Title:

Exhibit A: Technical Requirements

This project is subject to the following Technical Requirements (check all that apply):

- [Technical Requirements - Split System Heat Pump for Space Heating](#) (August 2024)
- Technical Requirements - Heat Pump Water Heater (August 2024)
- [Technical Requirements - Room Heat Pump](#) (August 2024)

Note that Technical Requirements may be updated periodically during the REDi: EB program. Projects will be subject to the technical requirements agreed to in this document but may optionally comply with new requirements. The document can be found here:
<https://www.nyc.gov/site/hpd/services-and-information/redi.page>

Appendix A: Maintenance Plan and Service Contract Checklist

This following documents are referenced in this rider:

- [VRF and Split System Maintenance Plan](#)
- [Maintenance Service Contract Checklist](#)

The documents can be found here:

<https://www.nyc.gov/site/hpd/services-and-information/redi.page>