**Wood Smoke Reduction Incentive Program**

**Utah Division of Air Quality**

**VENDOR AGREEMENT**

# Section 1. Introduction

The Utah Division of Air Quality (DAQ), through a targeted airshed grant from the U.S. Environmental Protection Agency, has developed a financial incentive program for homeowners to change-out old stoves for new EPA-certified stoves or gas stoves. The program also includes a bounty program for homeowners who wish to turn in their wood stoves for scrap metal recycling. The program is limited to portions of Box Elder, Cache, Davis, Salt Lake, Tooele, Utah and Weber counties that fail to meet the national fine particulate standard during winter-time inversion. We anticipate program kick-off by announcing the acceptance of homeowner applications in the Fall of 2018.

Available funding:

* Cache County-$2.5 million
* Utah County-$2.4 million
* Box Elder, Davis, Salt Lake, Tooele and Weber counties-$2.5 million

The program will proceed until all the funds are exhausted within a five year period.

Homeowner Financial Incentive Program

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| **Homeowner Rebate Program** | | | |
| **Tier** | **Device Change-out** | **Rebate Amount** | |
| **Low-income households** | **Non low-income households** |
| 1 | Any operational wood stove/insert or open fireplace to natural gas- or propane-fueled stove/insert | $3,800 | $2,800 |
| 2 | Operational uncertified wood stove/insert to EPA-certified wood stove/insert | $500 | $500 |
| 3 | Bounty for destroying of an operational wood stove or insert | $250 | |

**The rebate awards for Tiers 1 and 2 may not exceed the cost of a new device.**

**Fireplace retrofits under Tier 1 must be of a design that would prohibit the co-burning of gas and wood.**

# Section 2. Vendors

DAQ is seeking two types of vendors:

1. Metal recyclers who will participate in the bounty program by rendering wood stoves inoperable. The vendor will accept the wood stoves for recycling. The scrap metal value must be returned to DAQ on a monthly basis.
2. Retail vendors who will offer replacement stoves, install new stoves, remove old stoves and certify that the surrendered stoves have been rendered inoperable. The scrap metal value must be returned as an invoice credit to DAQ.

**A vendor may choose to offer both services.**

**The program is open to all vendors who choose to participate and meet the conditions set forth in this vendor agreement.**

Residential homeowners will be pre-approved through an online application process. An award certificate will be issued to approved homeowners. The homeowners will be required to use only DAQ approved vendors. Participating vendors will have access to an online list of participants who have been issued an award and the amount of the award. This list will provide vendors verification of a credible award voucher. Vendors will be required to complete the award documentation.

Retail vendors will warranty the installation of a new appliance for 1 (one) year. Appliances will carry the manufacturer’s warranty, and any and all warranties under the manufacturer’s warranty will be addressed by the manufacturer. DAQ will not warranty any appliances purchased and installed through this program or be liable for workmanship, quality, functionality, satisfaction of the appliance, or its installation.

**Gas stoves must meet the requirements of the Utah Administrative Code R307-356 (Appliance Pilot Light). This rule prohibits the use of a continuous pilot light in a heating device. However, an intermittent pilot ignition may be used.**

**Wood stoves must meet the requirements of the Utah Administrative Code R307-302 (Solid Fuel Burning Appliances in Box Elder, Cache, Davis, Salt Lake, Tooele, Utah, and Weber Counties). R307-302 requires that all wood stoves sold in these counties be EPA certified. Please note that Step 2 of the NSPS is currently scheduled for 2020 which will require an EPA certified stove to emit lower particulates.**

# Section 3. Specific Conditions

1. Installers must be certified by the National Fireplace Institute.
2. DAQ retains the right to conduct unannounced vendor site inspections to confirm that change-out wood stoves have been rendered inoperable and that new stoves meet the prevailing NSPS standard at that time.
3. DAQ retains the right to review and audit vendor sale receipts for appliances sold under this program.
4. DAQ retains the right to terminate this agreement with any vendor that DAQ determines is not operating in good faith under this agreement, fails to meet agreement conditions, or whose behavior has otherwise been found to be detrimental to the program.
5. A vendor must confirm the identity of a homeowner who submits an award using government issued identification. Awards are not transferrable to other individuals. A vendor may not enter into a sales transaction if an award is fraudulent as DAQ **will not honor the rebate**. A vendor must notify DAQ immediately if fraud is suspected.
6. Retail vendors who have engaged in a Tier 1 and 2 transaction must submit the rebate for reimbursement within 30 days of the sale transaction. Completed and signed program forms and sales receipt must be submitted to DAQ to receive reimbursement.
7. Appliance installations shall be conducted in accordance with all state and local ordinances. It is the sole responsibility of the vendor to meet all installation requirements.
8. The rebate awards for Tiers 1 and 2 **may be equal to, but not exceed the cost of a new appliance and installation**.
9. Fireplace retrofits under Tier 1 must be of a design that would prohibit the co-burning of gas and wood.
10. Vendors must provide evidence of current insurance.
11. Vendors are encouraged to hand out to consumers of wood stoves EPA Burn wise literature and any DAQ sponsored literature provided to the vendor.
12. Vendors must return the scrap metal income to DAQ for all wood stoves surrendered by participants.
    1. Retail vendors who have engaged in a Tier 1 or Tier 2 transaction shall issue a credit for the scrap value on their rebate invoice.
    2. Tier 3 vendors shall issue a check on a monthly basis to DAQ Finance for the monthly total income from the scrap metal and identify the number of appliance that were recycled. The check shall be sent to: Joel Karmazyn, DAQ, P.O. Box 144820, 195 North 1950 West, SLC, UT 84114-4820.

# Section 4. Agreement Relationship

It is agreed that DAQ is not liable and does not warranty the performance of any service by the vendor. DAQ is not responsible for the vendor’s employees hiring, or the vendor’s incurred expenses. Vendors are fully responsible for the performance of every part of the service agreement with homeowners and solely responsible for all labor, taxes, insurance, required bonding, and other expenses.

Vendors are solely liable for all damages in connection with the operation of this agreement, whether for personal injuries or damages of any other kind. Vendors shall exonerate, defend, indemnify, and hold DAQ and all its agents, employees, and officers harmless from any and all liability, claims, damages, costs, expenses, losses, suits, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions under this agreement that cause death or injury or damage to property or arising out of a failure to comply with any state or federal statute, law, regulation or act.

Vendors must also exonerate, defend, indemnify, and hold DAQ and all its agents, employees, and officers harmless from and against and assume full responsibility for payment of all federal, state, and local taxes or contributions imposed or required under unemployment insurance, social security, workers’ compensation, and income tax laws with respect to the vendor’s or their employees engaged in performance under this agreement.

Vendors will maintain applicable workers’ compensation insurance as required by law and will provide a certificate of same if requested. There will be no exceptions made to this requirement and failure to provide a certificate of workers’ compensation insurance may, at DAQ’s option, result in cancellation of this agreement. Vendors must provide a certificate of workers’ compensation insurance issued by a surety licensed to write workers’ compensation insurance in the State of Utah, as evidence that the vendor has in effect a current Utah workers’ compensation insurance policy.

Vendors will carry out requirements under their agreements with homeowners as independent contractors. Vendors shall carry out their requirements for stove change-out/conversions in a way that ensures the satisfaction of homeowners, fulfilling their obligations under this agreement with DAQ and any agreement with a qualified homeowner under this program. DAQ does not assume liability for the participating vendor’s obligations as they pertain to the appropriate and comprehensive purchase, delivery, permitting, and installation of a qualifying heating device within a homeowner’s residence.

# Section 5. Changes/Modifications

Changes or modifications to this agreement can be affected only by DAQ’s written consent and after any proposed change or modification has been submitted in writing, signed by the party proposing the change.

# Section 6. Assignments

This agreement is not assignable.

# Section 7. Subcontracting

Vendors may enter into a subcontract in order to successfully complete the requirements of this program. This permission to subcontract, however, does not relieve the vendor’s of their obligations to pay for subcontracted work, or any other responsibilities under this agreement.

Vendor will be and remain liable for all damages to DAQ and/or homeowner

caused by negligent performance or nonperformance of work under the agreement by

vendors subcontractors. In addition, subcontractors must maintain the same types

and levels of insurance as required of the participating vendor under this agreement, save the participating vendor provides proof to DAQ’s satisfaction that the subcontractors are fully covered under the participating vendor’s insurance. Unless participating vendor’s insurance provides workers’ compensation coverage for the subcontracted installer and subcontracted installer’s employees, participating vendor shall verify the effectiveness of its subcontractor’s insurance prior to using a subcontracted installer under the agreement and continue to verify subcontractor’s insurance at least annually thereafter during the term of the agreement.

Documentation for any subcontractor to be used as an installer shall be included with the initial submission of a participating vendor’s agreement documents. Should the participating vendor choose to add a new subcontractor to its list of subcontracted installers, it must submit to DAQ the qualifications, including the Utah registration number, of that subcontractor prior to entering into a contract with that subcontractor. DAQ will alert the participating vendor when a subcontractor has been approved by DAQ.

# Section 8. Indemnification

Vendors must indemnify, defend, and save harmless DAQ (and by extension, the

State of Utah), its officers, agents, and employees from and against any and all liability, claims,damages, losses, expenses, actions, attorneys’ fees, and suits whatsoever caused by or arising out of the vendors negligent or wrongful performance, acts or omissions under this agreement, or the vendors failure to comply with any state or federal statute, law, regulation or rule. Nothing contained herein shall be deemed to constitute a waiver of DAQ’s(and by extension, the State of Utah’s) sovereign immunity, which is hereby expressly reserved.

# Section 9. Termination for Fiscal Necessity

DAQ is a government entity, and it is understood and agreed that its payments under this agreement shall be made from funds granted by the federal government. The federal government is not legally obligated to provide funds to fulfill this agreement. This agreement may in no way or manner be construed so as to bind or obligate DAQ beyond the term of any particular appropriation of federal funds granted to DAQ. DAQ reserves the right to terminate this agreement in whole or in part (or any order placed under it) if, in its sole judgment, the federal government, under the Airshed Grant, neglects or refuses to appropriate sufficient funds as may be required for DAQ to continue such payments, or requires any return or "giveback"of funds required for DAQ to continue payments, or if funds are not budgeted or otherwise available (e.g., through

repeal of enabling legislation), or if DAQ discontinues or makes a material alteration of the program under which funds were provided, or if funds are discontinued.

THIS AGREEMENT will commence on the date of the final signature included below and continue until DAQ notifies vendors that funds are soon to be exhausted, unless notified in writing otherwise, as executed by the persons signing below, who certify that they have the authority to execute a legally binding agreement.

Vendor Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Vendor Authorized Representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Vendor Address/Phone/E-Mail

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Select all that apply:

□ I wish to participate in Tier 1: conversion to gas appliance

□ I wish to participate in Tier 2: change-out to EPA certified stove

□ I wish to participate in Tier 3: bounty of any wood stove.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bryce Bird

Division of Air Quality

Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Vendor Authorized Representative Signature

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_