



Department of Energy
Washington, DC 20585

February 9, 2016

Phil Cherry
Division Director, Energy & Climate
Delaware Energy Office
1203 College Park Drive, Suite 101
Dover DE, 19904

RE: Onsite Monitoring of DOE/WAP EE0006140

Dear Mr. Cherry:

On November 2-5, 2015 Steve Bruno, U.S. Department of Energy (DOE) Project Officer, conducted an onsite monitoring assessment of the Department of Natural Resources and Environmental Control's (DNREC's) Weatherization Assistance Program. I would like to extend my appreciation to you and your staff for your availability and cooperation provided during the visit.

The monitoring assessment included a review of administrative and financial aspects of the DNREC award. The DOE Monitoring Report, which summarizes observations and recommendations made during the monitoring visit, is enclosed. Please submit a written response within the next 30 calendar days indicating the follow-up actions that will be taken on the findings, concerns, and corrective actions contained in the report.

Please contact Mr. Bruno or me if you have any questions or concerns about this report. We may be reached at steve.bruno@ee.doe.gov (202-287-1766) and erica.burrin@ee.doe.gov (202-280-9863).

We look forward to continued interaction with you and your staff in the effective implementation and operation of the Weatherization Assistance Program.

Sincerely,

Erica Burrin

Erica Burrin,
Acting Program Manager
Weatherization and Intergovernmental Programs Office

cc: Andrew Rittgers, Contracting Officer
Danela Garcia, Grant Specialist
Steve Bruno, Project Officer
Michael Peterson, Project Officer

**DOE ONSITE MONITORING REPORT WEATHERIZATION ASSISTANCE
PROGRAM DELAWARE ENERGY OFFICE**

Weatherization Assistance Program Onsite Monitoring Visit Report

GRANTEE: Delaware Energy Office
1203 College Park Drive
Suite 101
Dover DE, 19904

DATES: 11/02/2015 - 11/05/2015

GRANT NUMBER: EE0006144

SUMMARY:

On 11/02/2015 - 11/05/2015, U.S. Department of Energy (DOE) Project Officer(s), Steve Bruno, conducted an onsite monitoring assessment of Delaware Energy Office 81.042 - Weatherization Assistance Program (Delaware WAP).

As part of DOE's monitoring review the following Subgrantee(s) were visited:

- Catholic Charities

Monitoring assessments, identified during this visit, are included in the report. The Grantee will be required to provide Corrective Action Plans (CAPs) for all finding(s) and concern(s) identified in the checklists. DOE also requests that the Grantee respond to recommendation(s). The Grantee's response should be received within 30 calendar days of the date of this report.

PURPOSE OF REVIEW:

The onsite monitoring assessment fulfills monitoring and oversight requirements of the DOE Weatherization Assistance Program.

The purpose of this monitoring assessment is to:

- Assess the Grantee's adherence to the State Plan.
- Identify program strengths and areas for improvement.
- Evaluate the Grantee's monitoring and oversight of Subgrantees.
- Verify compliance with federal and state regulations, policies and procedures.
- Identify accomplishments and success stories.
- Determine how DOE can assist the Grantee to be more successful in its implementation of the Program.

PROCESS:

The onsite monitoring visit commenced at the offices of the Delaware WAP in Dover and proceeded to Catholic Charities of Wilmington.

Quality Assurance visits were conducted on eight homes. Glen Salas, with DE WAP's Technical Monitor, Jerry Spaulding, conducted the site visits; The PO accompanied them during the latter part of the visit.

On November 5, an exit conference was held with the following individuals at DE WAP's Dover office:

DOE: Steve Bruno, DOE Project Officer (PO) and Glen Salas, technical consultant

DE WAP: Phil Cherry, Rob Underwood, Cheryl Gmuer, Tracy Evans, Jerry Spaulding

PROGRAMMATIC & MANAGEMENT: REVIEW

REVIEW OF PREVIOUS MONITORING ASSESSMENTS AND VERIFICATION OF IMPLEMENTATION OF CORRECTIVE ACTIONS

No finding(s), concern(s), or recommendation(s) were previously identified.

PROGRAMMATIC & MANAGEMENT CHECKLIST: ASSESSMENT REVIEW

COMMENDATIONS AND BEST PRACTICES:

No commendations or best practices were identified during this visit.

GRANTEE REVIEW:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

FINANCIAL/ADMINISTRATIVE:

Section was reviewed and monitoring assessment(s) were identified during this visit.

FINDING(S):

Title:	Procurement of Contractors by the Subgrantee
Status:	Open
Date Identified:	11/05/2015
Description:	The Subgrantee acquired both current contractors, Bauer and Efficient Home, using what was essentially a sole source method (no public notification/advertising). The Grantee's WAP manual addresses only competitive bidding, not sole source. Each contractor is being paid in excess of \$100k per year without having been competitively bid.
Grantee Required Action:	The Grantee is required to implement a CAP to ensure that competitive bidding for contractors take place as required. See 10 CFR 600.236 and 2 CFR 200.317-23, "Procurement."

CONCERN(S):

Title:	Advances to the Subgrantee
Status:	Open
Date Identified:	11/05/2015
Description:	Grantee policy allows for advances and did so when it brought on its new subgrantee in PY14. However, in the course of regular annual operations, the policy does not provide advances.
Grantee Required Action:	The Grantee should develop a policy for issuing and tracking advances for instances in the future when they may be requested.

Title:	Process to Pay Invoices
Status:	Open
Date Identified:	11/05/2015
Description:	While the Grantee appears to have a process in place to review Subgrantee invoices, it does not have a written policy or procedure describing the

requirements for review of invoices, internal controls, etc.

Grantee Required Action: The Grantee should codify its process in the operations manual.

Title:	Review of Subgrantee Liability Insurance
Status:	Open
Date Identified:	11/05/2015
Description:	Grantee reported that the administrative monitoring tool prompts staff to review liability insurance proof. While liability insurance proof is among the required documents in the introduction of the tool, there is no such review required in the tool (e.g., monitoring and other sections do not require a review).

Grantee Required Action: A review of liability insurance proof should be required in the tool itself.

POLICY ADVISORY COUNCIL:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

ELIGIBILITY:

Section was reviewed and monitoring assessment(s) were identified during this visit.

CONCERN(S):

Title:	Client Priority Criteria
Status:	Open
Date Identified:	11/05/2015
Description:	The Grantee's formula for client priorities contains a "waiting period." This is allowed an equal number of points to the DOE criteria, which means someone on the waiting list for a long period of time (who does not meet any of the DOE criteria) can supersede a DOE priority client.

Grantee Required Action: The formula should be updated to ensure that

clients with points solely from long waiting lists cannot supersede those meeting DOE priority criteria. The Grantee must ensure that all priority criteria are consistent with both its state plan and 10 CFR 440.16, Minimum Program Requirements.

RENTAL:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

ENERGY AUDITS:

Section was reviewed and monitoring assessment(s) were identified during this visit.

FINDING(S):

Title:	Use of Priority Lists
Status:	Open
Date Identified:	11/05/2015
Description:	The grantee uses priority lists (referred to as "priority audits") for all site-built and mobile homes. At the time of the visit, the priority list was also used on atypical housing - which is not represented in the grantee's priority list modeling. Priority lists should only be used for "standard" housing and are not appropriate when the housing has a non-standard building envelope (e.g., concrete block walls), already has some of the priority list measures (e.g., significant levels of attic or wall insulation), or requires a new HVAC system either as an energy conservation measure or Health and Safety (H&S) measure.
Grantee Required Action:	The Grantee is required to implement a CAP to ensure that audits are conducted on all atypical units - e.g., anything that is not consistent with the modeling of the priority list.

FIELD WORK:

Section was reviewed and monitoring assessment(s) were identified during this visit.

CONCERN(S):

Title:	Final Inspection Form
Status:	Open
Date Identified:	11/05/2015
Description:	The final inspection form focuses on diagnostics and does not include a review of the audit/priority list or each completed measure.
Grantee Required Action:	The final inspection form should be updated to include a review of the initial audit/assessment and each measure completed. Spaces should be available for inspector notes on work quality, etc.

HEALTH & SAFETY:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

EQUIPMENT/INVENTORY/MATERIALS:

Section was reviewed and monitoring assessment(s) were identified during this visit.

FINDING(S):

Title:	Monitoring of Subgrantee Equipment
Status:	Open
Date Identified:	11/05/2015
Description:	The Grantee's monitoring tool does not require a review of equipment and inventory onsite in the course of its monitoring.
Grantee Required Action:	The Grantee is required to incorporate a review of all vehicles and equipment (value of \$5,000 or greater) into its monitoring tool(s). See 10 CFR 600.232, "Equipment."

Title:	Vehicle and Equipment Tracking
Status:	Open
Date Identified:	11/05/2015
Description:	The Grantee tracking of subgrantee vehicles and

equipment miss the following data points, required by 10 CFR 600: Description, source, title, acquisition date, % federal participation, use and condition.

Grantee Required Action: The Grantee must implement a CAP to incorporate the missing data points into its vehicle and equipment tracking.

GRANTEE MONITORING:

Section was reviewed and monitoring assessment(s) were identified during this visit.

FINDING(S):

Title:	Checking for Debarred Contractors
Status:	Open
Date Identified:	02/04/2016
Description:	The Grantee does not check Subgrantee contractors for debarment during monitoring or otherwise. Subgrantee reportedly checks SAMS but does not have a formal/written process in place.
Grantee Required Action:	The Grantee must implement a CAP to check and verify that all contractors under in Delaware WAP are not debarred. See 600.235, "Subawards to debarred and suspended parties."

CONCERN(S):

Title:	Monitoring Tool
Status:	Open
Date Identified:	11/05/2015
Description:	The Grantee's administrative monitoring tool mirrors the DOE Subgrantee checklist. The PO recommends updating the tool to ask more specific questions needed for Grantee-level monitoring. For example, Procurement, Health and Safety, Reweathering, and Inventory sections are inadequate. Items for review should

be much more concrete and less abstract; questions should be clear and not leave room for interpretation. They should reflect the State Plan and ensure that key components of H&S are being followed, to reference one example.

Grantee Required Action: Grantee shall develop a CAP to revise its administrative monitoring tool. The PO suggests seeking examples from NASCSP and states with more rigorous tools in place. See WPN 16-4 for additional guidance.

TRAINING & TECHNICAL ASSISTANCE:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

FEEDBACK AND REPORTING:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

SUBGRANTEE(S) CHECKLIST: ASSESSMENT REVIEW

- Catholic Charities

PROGRAM OVERVIEW:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

FINANCIAL/ADMINISTRATION:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

INVENTORY:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

ENERGY AUDITS:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

QUALIFICATIONS & TRAINING:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

WEATHERIZATION OF UNITS:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

HEALTH & SAFETY:

Section was reviewed and no finding(s), concern(s) or recommendation(s) were identified during the visit.

QUALITY MANAGEMENT ASSURANCE:

Section was reviewed and monitoring assessment(s) were identified during this visit.

CONCERN(S):

Title:	Field Work
Status:	Open
Date Identified:	11/05/2015
Description:	Refrigerator replacements: Refrigerator replacements do not seem to be part of Delaware WAP. New refrigerators – especially those replacing pre-2004 units – are big energy savers. If such replacements are not being done by others for low-income clients in Delaware. The State should replace them, when appropriate, as determined by metering or one of the available refrigerator replacement databases in accordance with WAP guidance. Deferring homes: The State should be careful about weatherizing homes that need to be deferred due to the condition of the unit, especially until Grantee auditors can perform site-specific energy audits on non-standard housing. Ground moisture barriers: The Standard Work Specifications (SWS) require ground moisture barriers in crawl spaces and under manufactured homes, with specific requirements about how the

barriers are installed and secured. If the State wishes to skip moisture barriers in certain circumstances or leave them unsecured, the State should submit SWS variance requests, with justification, to DOE for approval.

ASHRAE ventilation requirements: ASHRAE 62.2 requires that easily accessible ‘off’ (kill) switches be installed on vent fans. This has not always been done in Delaware, especially in the northern part of the state.

Measuring HVAC efficiency: State mechanical codes do not allow drilling through double-wall flues. Delaware WAP should establish a procedure to measure furnace/boiler efficiency in these cases to properly evaluate furnace/boiler replacements.

Grantee Required Action: The Grantee should implement a CAP to address these items.

RECOMMENDATION(S):

Title:	Training on the Use of Energy Audits
Status:	Open
Date Identified:	11/05/2015
Description:	The first house the Project Officer visited had at least three additions and the garage had been brought into the building envelope. As noted earlier, priority lists should only be used for “standard” housing and are not appropriate when the housing has a non-standard building envelope.
Grantee Required Action:	DOE recommends that the Subgrantee receive appropriate training using approved energy audit tools for site built and mobile homes.

CLOSING:

The purpose of the onsite monitoring assessment was to review and evaluate the condition of the

Delaware WAP, as well as provide technical assistance, which is available to the Grantee as requested to ensure consistent and effective implementation of WAP. All comments and recommendations are intended to assist the Weatherization staff in the continual improvement of the quality of work performed by the Delaware WAP.

CERTIFICATION:

I have conducted this monitoring visit in accordance with DOE standard procedures using the appropriate monitoring checklists for the purpose of forming an opinion on the general administration of your Weatherization grants.

This is not an audit; therefore, all areas were only examined to obtain an assessment of compliance with Program requirements.

Report Prepared by:



Steve Bruno
Project Officer

02/09/2016

Date

81.042 - Weatherization Assistance Program – U.S. Department of Energy