



**Department of Energy**  
Washington, DC 20585

April 3, 2012

**Grantee:** State of Delaware, Dept. of Natural Resources and Environmental Control  
(DNREC)

**Subject:** WAP ARRA Monitoring Report

**Grant:** DE-EE0000174

Dear Mr. Cherry:

On October 25-27, 2011, David C. Kirschner, National Energy Technology Laboratory (NETL) Project Officer (PO), and Ryan Middleton, USDOE Headquarters, conducted a scheduled on-site monitoring assessment of Delaware's Weatherization Assistance Program (WAP). 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 programmatic aspects of the States WAP ARRA award. The DOE Monitoring Report, which summarizes observations and recommendations made during the monitoring visit, is attached. Please submit a written response within the next 30 calendar days indicating the follow-up actions that will be taken on any findings, concerns, and corrective actions contained in the report.

Please contact your Project Officer Mr. Middleton or myself if you have any questions or concerns about this report. Ryan may be reached at [ryan.middleton@ee.doe.gov](mailto:ryan.middleton@ee.doe.gov), (202-503-6617) and I can be reached at [scott.reinecke@ee.doe.gov](mailto:scott.reinecke@ee.doe.gov), (202-287-1648).

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Reinecke".

Scott Reinecke  
Branch Chief  
Office of Weatherization and Intergovernmental Programs



**Department of Energy**  
Washington, DC 20585

**DOE MONITORING REPORT  
WEATHERIZATION ASSISTANCE PROGRAM  
DELAWARE**

**Grantee:** Delaware  
Dept. of Natural Resources and Environmental Control (DNREC)  
1203 College Park Drive  
Suite 101  
Dover, DE 19904

**Date of Visit:** October 25-27, 2011

**Grant:** DE-EE0000174 – Recovery Award

**I. SUMMARY**

On October 25-27, 2011, David C. Kirschner, National Energy Technology Laboratory (NETL) Project Officer (PO), and Ryan Middleton, USDOE Headquarters, conducted a scheduled on-site monitoring assessment of Delaware's Weatherization Assistance Program (WAP).

The monitoring assessment included a review of the administrative and programmatic operations of the Delaware's WAP, a review of the operations of the two sub-recipients, as well as a visit to client homes where weatherization work was both in process and completed under the oversight of the two sub-recipients. This monitoring visit follows the rebuild of the Weatherization Assistance Program under new leadership at the Department of Natural Resources and Environmental Control (DNREC).

Findings, concerns, action items and recommendations identified are included in this report. The Grantee will be required to provide their response within the time specified.

As part of the oversight responsibilities under the American Recovery and Reinvestment Act of 2009 (ARRA), the U.S. Department of Energy (DOE) may conduct more frequent monitoring of District of Columbia's WAP and arrange for visits to additional client homes.

## **A. Purpose of Review**

The on-site monitoring visit was conducted for the ARRA Formula Grant for Delaware's WAP as part of semi-annual oversight and monitoring requirements. On this visit, Delaware had performed work in enough homes to constitute a monitoring of the work performed as opposed to a technical assistance visit. Technical assistance was being provided by the USDOE and its technical support contractor to assist the grantee where DNREC and DOE agreed it was fit.

The purpose of the visit was to determine the Grantee's adherence to their state plan, to identify program strengths and areas needing improvement, to further evaluate the program against Federal and State regulations, and to determine the Grantee's needs going forward. At the time of this visit, the Grantee had approximately 6 months remaining during the period of performance to revisit approximately 1,100 additional homes before they can no longer charge to the award or continue any work on a Recovery unit using federal funds. The process that the Delaware WAP takes has been modified to account for work that does not meet standard. DE WAP revisits the now in-process units to complete work that meets the goals of the program. For those units that cannot be accessed, they are handled in a manner that is consistent with procedures authorized by DNREC.

Part of the procedures when entering into the units is to identify issues with past work, and then identifying the new work required to make the unit a quality weatherization job while both increasing the efficiency and safety of the home.

The visiting of client homes during this visit was to verify and determine the effectiveness of the new program by the grantee and subgrantees in terms of quality of work and to help identify areas of improvement. This also helps to explain how the current processes are working and understand any weaknesses in the current procedures. This review is used to develop recommendations and corrective actions to be provided to the Grantee's management team.

## **B. Process**

On October 25, 2011, an entrance meeting was held at the DNREC's Office at 9:00 am. The following individuals were in attendance at the meeting.

USDOE: David Kirschner – NETL, Ryan Middleton – USDOE Headquarters

DNREC: Philip Cherry, Jack Sol-Church, Dominique Baron, Jerry Spaulding, William Fasano, Cordelia Leatherbury, Rebecca Zink, Brian Leahy

- Discussed the purpose of the visit at the Grantee's office
- Reviewed the schedule for the week
- Reviewed specific portions of the Onsite Checklist

The above persons discussed programmatic and administrative aspects of the program and issues

that the program was currently facing including issues with the subgrantees, production and status of spending.

On October 26, 2011, David Kirschner, Ryan Middleton, and Rich Courtney, DOE Support Contractor, met at the DNREC Office and proceeded to visit Neighborhood House Inc (NHI) which is one of DNREC's subgrantees. During this meeting, NHI provided an overview of the processes and procedures in place for administering the WAP and gave an overview of what functions their staff afforded the local WAP. During the review, Rich Courtney performed a file review of 10 client files which included a review of units that would be visited in the afternoon. The second part of the day was spent conducting quality assurance reviews of weatherized units and reviewing work performed under this subgrantee's supervision.

On October 27, 2011, David Kirschner, Ryan Middleton, and Rich Courtney, DOE Support Contractor, met at the DNREC Office and proceeded to visit First State Community Action Agency (FSCAA) which is the other of DNREC's subgrantees. During this meeting, FSCAA staff provided an overview of the processes and procedures in place for administering WAP and gave an overview of what functions their staff members serve. During the review, Rich Courtney, DOE contractor performed a file review of 10 client files which included a review of units that would be visited in the afternoon.

The second part of the day was spent conducting quality assurance reviews of weatherized units and reviewing work performed under this subgrantee's supervision.

On November 1, 2011, an exit conference was held via a phone conference to discuss best practices, recommendations and observations made during the visit with Program management.

### **C. Financial Review**

The financial review will be issued separately to the Grantee through the grants Contracting Officer at DOE. The Financial review will be performed via a desk audit with any additional information provided by the Project Officer.

### **D. Administrative – Award File and Personnel Review**

DNREC has executed their contracts with the two Organizations which include the required flow-down provisions. DNREC has filled positions listed in the Weatherization State Plan to work in key roles to carry out the program. The positions in the revised state plan were identified as critical for the success of the program over the period of performance.

### **E. Programmatic Review**

The following are concerns and recommendations from meeting with the Grantee:

**Concern:** The Grantee may be averaging above the allowable Average Cost per Unit of \$6,500. This is in part due to previous work that was performed on the weatherization

units. The Grantee with its Subgrantees has organized a method to continue work in the in-process units where weatherization work was in flux with the previous administration.

**Recommendation:** Convey to DOE and subgrantees the approach that will be taken to track average cost per unit (ACPU) spending. It is noted that the Grantee had an issue with air sealing expenditures and have taken corrective action to limit the amount of air sealing that could be performed on a single unit.

**Concern:** The work categories in the Delaware Weatherization Assistance Price List did not correspond to the correct budget categories in the approved Grantee Budget.

**Recommendation:** The Grantee will correct deficiencies on the Price List.

**Concern:** The Grantee is not currently tracking incidental repairs and associated costs are not properly identified within the SIR.

**Recommendation:** Incidental Repairs should be properly documented and tracked. Delaware must update their Energy Audits and/or Priority Lists to appropriately account for incidental repair costs.

**Concern:** The Priority Lists being utilized on the Weatherized units are out of date.

**Recommendation:** The Grantee needs to perform audits on the required number of units for their housing stocks to establish revised Energy Audit Procedures in accordance with Weatherization Guidance. The DOE has a review process to approve revised procedures for performing audits. The Grantee needs to build the necessary libraries to run the audits when presenting the audits to support the revised Priority Lists.

The following are concerns and recommendations from observations in the field during QA checks on the units visited as well as during the reviews at the subgrantee locations.

**Concern:** The weatherized units may have not been properly ventilated.

**Recommendation:** In areas such as bathrooms and kitchens, the Grantee should ensure that moisture is properly vented outside of the home using mechanical ventilation if not already installed, especially where air sealing is being performed. The Grantee needs to provide ASHRAE 62.2 training.

**Concern:** Lead Safe Weatherization is not properly documented.

**Recommendation:** In older homes that likely contain lead, the client should be properly educated and issued the Lead Safe Pamphlet. In addition, contractors must be trained and certified in Lead Safe Weatherization.

## **II. PROMISING PRACTICES**

The Grantee has implemented some promising practices that were noticed during the brief visit. These practices are acknowledged in this section.

Number one would be their development of a standards manual that the contractors, subgrantees, and monitors could reference to confirm expectations on measures performed in the home. Although still in draft form during the visit, this guide is a work-in-process manual that outlines the standards for use in this program. It is also a public document that can be viewed by anyone by visiting the Grantee's website.

Both subgrantees are required to report to DNREC monthly on various status elements regarding the Recovery award. This helps the Grantee to better track the status of production, spending, invoicing, and helps confirm that the subgrantee is maintaining organized records and status of each job.

DNREC has also been verifying the Davis Bacon records sent as required by both subgrantees. During the visit, one of their full time staff persons dedicated to this task explained their process and supplied the payrolls with errors.

## **III. CORRECTIVE ACTIONS**

**The following Corrective Action items require a response within 30 calendar days.**

- None

## **IV. TECHNICAL ASSISTANCE**

Technical assistance will be available by the DOE PO during the next scheduled monitoring visit to follow-up on the issues identified in this report.

## **V. IN CLOSING**

The purpose of the on-site monitoring assessment was to perform Quality Assurance in additional client homes, and evaluate additional needs of the Delaware WAP. All comments and recommendations are intended to assist the Weatherization staff in the execution and carrying out the remainder of its allocation. During assessment, DNREC was making significant progress

in meeting their production targets identified in the State Plan. Meeting the overall targets will be a challenge in the closing months, but should be accomplished through completing a performance period modification of the Grant.

As a result of the concerns expressed during this monitoring visit and as reflected in the Monitoring Report, DOE may make regular visits to follow-up on deficiencies identified during the on-site monitoring visit.

## **VI. CERTIFICATION**

The DOE personnel have conducted this monitoring visit in accordance with DOE standard procedures for the purpose of forming an opinion on the general administration of the grant.

This was not an audit, and therefore all areas examined were only examined for purposes of obtaining an assessment of compliance with program requirements.



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RYAN MIDDLETON  
Project Officer

4/4/2012

Date

**The attached Technical Report has been assembled by a Contractor of NETL and DOE to assess the adequacy and content of the client files as well as the work performed in the units. This report should serve as a tool to assist the Grantee in identifying areas of improvement.**